FINANCIAL TIMES

PUBLISHED IN LONDON AND FRANKFURT

No. 28,134 Wednesday April 2 1980 ***20p

CONTINENTAL SELLING PRICES: AUSTRIA Sch 18; BELGIUM Fr 25; DENMARK Kr 5.00; FRANCE Fr 4; GERMANY DM 2.0; ITALY L 700; NETHERLANDS Fl 2.0; NORWAY Kr 5.00; PORTUGAL Esc 35; SPAIN Pta 70; SWEDEN Kr 5.00; SWITZERLAND Fr 2.0; EIRE 20p; MALTA 20c

NEWS SUMMARY

GENERAL

Whitelaw pledge on tapping controls

Home Secretary William Whitelaw told the Commons that telephone tapping and interception of mail "continued to be tightly controlled." He insisted that no MP's telephone had been tapped since an undertaking given by Sir Harold Wilson in 1966.

Mr. Whitelaw said a senior judge would be appointed to maintain a continuing independent check on procedures.

But Mr. Anthony Wedgwood Benn challenged the Government decision not to introduce legislation providing statutory safeguards. Parliament, Page 12

Hostage setback

Iran and the U.S. failed to make the expected progress towards the release of the 50 American embassy staff held in Tehran, despite secret Government contact. Back Page; Iran trade, Page 6

Iraq wounding

Iraq's Deputy Premier Tariq Aziz was wounded in a grenade attack at a public meeting in Baghdad. Security forces killed his attacker.

Salvador violence

One man was killed and 20 arrested as violence flared in San Salvador for the first time since Sunday's funeral of murdered Archbishop Oscar Romero. Page 6

New York chaos

New Yorkers faced chaos as the city's 33,000 transport workers went on strike after failing to settle a claim for a 30 per cent pay rise over two years. Page 6

Debendox 'safe'

Committee on the Safety of Medicines gave approval to the morning sickness pill Debendox, said by critics to have caused child deformity.

Siege talks

Colombian Government officials opened fresh talks with guerrillas holding 27 hostages in the Dominican Republic's embassy in Bogota.

School emergency

More than 60 children had emergency vaccinations after an outbreak of meningitis at a Sleaford, Lincs., school. A six-year-old boy died, and three others are being treated in hospital.

IRA man jailed

Edward Brophy, 39, was cleared in Belfast of murdering 12 people with an incendiary bomb at a restaurant in 1978, but was jailed for five years for being a member of the Provisional IRA.

Kidnap body

Two men were detained after the body of Oliver Breaud, 26, kidnapped son of a leading French financier, was found on Tahiti. A £1.25m ransom had been demanded.

Holiday threat

Easter holidaymakers due to fly from Heathrow face disruption because of an overtime ban by some British Airways staff.

Briefly . . .

Bomb damaged the Paris offices of Iraqi Airlines

Police interviewed Captain Mark Phillips over an allegation that he kicked a horse.

Three motorists were accused in Sweden of illegally shooting 50 moose.

PUBLISHER'S NOTICE

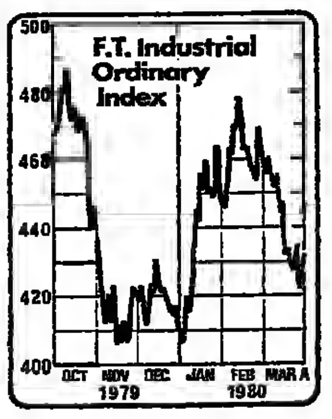
The Financial Times apologises for errors contained in this issue which are due to unofficial action by proof-readers who are members of the National Graphical Association.

BUSINESS

Gilts gain up to 5/8; Equities rise 5.4

● GILTS moved ahead on exhaustion of the long tap, with gains in longs of up to ⅝. The Government Securities index put on 0.24 to close at 64.82....

● EQUITIES gained on steel settlement hopes and the



advance in longs. The FT 30-share index closed 5.4 up at 432.4.

● DOLLAR rose to DM 1.9705 (DM 1.9510), and its trade-weighted index was 91.8 (90.8). STERLING fell 2.15c to $2.1425, and its index was 72.3 (72.6).

● GOLD closed $1 down in London at $503.

● WALL STREET was up 2.73 at 788.48 before the close.

● BANK OF ENGLAND'S consultative document on the "Measurement of Liquidity," which in its final form will dictate the amount of liquid assets each UK bank must hold, has caused disquiet among London bankers. Lex, Back Page

● INDUSTRY in the UK could face a squeeze on liquidity broadly comparable to that of 1974-75, Industry Secretary Sir Keith Joseph told the Commons. Back and Parliament, Page 12

● CHRYSLER failed to agree with bankers and the U.S. Treasury by the April 1 deadline on the terms of its $3.5bn (£1.63bn) rescue package. Back Page

● SYSTEM of Parliamentary examination of spending estimates does not allow enough time for adequate scrutiny and should be changed, a report by an all-party committee says. Page 9

● BRITISH SHIPBUILDERS' new full-time chairman is to be 64-year-old Robert Atkinson, subject to agreement on contract details. Back Page

● KUWAIT is prepared to sell only 475,000 barrels of oil a day to BP, Shell and Gulf, against 1.31m b/d up to this month. Back Page

● INVISIBLE EXPORTS in the UK are expected to show a growth rate this year of 5-7 per cent—lower than in 1979. Page 6

● EUROPE could become a net importer of cars by 1983, according to Eurofinance, a Paris-based research organisation. Page 2

● TITAN bus production is to be transferred from Park Royal, North London, to the Leyland National factory at Workington, Cumbria, which is to be expanded at a cost of £4m. Page 8

● U.S. is expected to lift the restriction on South Korean colour television imports later this year. Page 6

COMPANIES

● CAPE INDUSTRIES, a subsidiary of Charter Consolidated, reports 1979 pre-tax profits down slightly from £12.73m to £12.48m. Page 22

● UNICORN Industries, the industrial holding company, incurred a fall in 1979 pre-tax profits from £7.43m to £6.52m. Page 22

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES

Treas. 10½pc 1999..	£79½	+ ½	London Brick	74½	+ 2½
Abercom	118	+ 8	Midland Bank	318	+ 8
Avana	123	+ 5	Robertson Foods	120	+ 5
BATs Dfd.	233	+ 6	Rockware	97	+ 6
BPB	182	+ 8	Saatchi and Saatchi	160	+ 10
Barzel	20	+ 6	Senlercs	123	+ 7
Boots	182	+ 5	Stewart Wrightson	190	+ 8
Bowater	170	+ 6	Wace	63	+ 8
Coalite	95	+ 5	BP	356	+ 6
Dowty	176	+ 7	Shell Transport	342	+ 6
Evans and Owen	70	+ 10	Silkolene	135	+ 9
Fisons	268	+ 12	Guthrie	925	+ 50
Gieves	49xd	+ 5	Blyvoor	565	+ 55
Glaxo	248	+ 6	Cons. Gold Fields	473	+ 9
Heath (C. E.)	212	+ 7	Conzinc Riotinto	250	+ 14
ICI	374	+ 6	De Beers Dfd.	388	+ 23
KwikSave	92	+ 4	Hartebeest	£25½	+ 1
Ladbroke	136	+ 4	RTZ	362	+ 14
Lex Service	86½	+ 4	Tanks Cons.	232	+ 16
			Welkom	550	+ 32

Steel strike ends after agreement on 16% rise overall

BY CHRISTIAN TYLER, LABOUR EDITOR

THE NATIONAL steel strike was called off last night after 13 weeks. A return to work will begin tomorrow at 6 a.m.

Some work will begin almost immediately, but it will be several weeks before iron-making and the bulk of the steelmaking can be resumed.

After a 41-27 vote of its negotiators, rank-and-file leaders of the dominant Iron and Steel Trades Confederation accepted a settlement worth 16 per cent overall, following an increase of 1½ per cent on the British Steel Corporation offer awarded by a committee of inquiry.

Mr. Bill Sirs, general secretary of the ISTC, said last night, that the settlement was worth nearer 18 per cent once pensions, holiday and a £50 advance payment were taken into account.

Now the ISTC and its ally, the National Union of Blastfurnacemen, are preparing for a second struggle, over closure of works planned by BSC as part of an attempt to shed 50,000 jobs this year.

Mr. Sirs said that he was "tremendously proud of the qualities of the iron and steel workers that have emerged" to drive the Corporation up from its original offer of 2 per cent at national level.

The unions had started off inexperienced, but were now "battle-hardened" for the forthcoming contest over closures.

"If they intend these job losses to go ahead, then I will be recommending the strongest possible action from the TUC—and I will not be the only one either," he said.

The unions' decision was taken amid angry scenes in the lobby of the ISTC headquarters in Grays Inn Road, London.

About 60 pickets from areas that will be hardest hit by closures gathered to protest at what they described as a "sell-out."

Three men were led away by police after a reporter was knocked down and others threatened with violence as they were pushed from the building.

A number of pickets rushed upstairs as news of the negotiators' vote filtered out, and took over parts of the building, delaying the subsequent joint meeting of the ISTC and NUB executive committees which made the final and unanimous decision.

Some steelworkers, frustrated after 13 weeks on the picket lines, may be slow to return to work. Mr. Sirs acknowledged the strong feeling of the minority, but said that the decision was "necessary to defend the interests of our members."

Steelworkers return to work about £1,300 the poorer on average for a guaranteed earnings increase of over £10 a week.

But they may be able to earn up to a further £10 a week if local productivity bargains for voluntary job losses and efficiency improvements are

Despite the bitterness and recrimination of the militants, Mr. Sirs showed no signs of having suffered a defeat. Indeed, he seemed almost heartened by the outcome of the first national strike by his union, the longest national strike of any sort for decades.

It will have cost BSC about £150m on top of its existing losses, and the probable disappearance of some 5 per cent of its UK market share in the long term.

It has also left a legacy of bitterness, illustrated by the unions' vote of no confidence in BSC management, and the demand last night for a further inquiry into the running of the corporation.

BSC Shotton plant may go to Lonrho, Page 7
Threat of national dock strike recedes, Page 11
Thatcher statement, Page 12
Feature, Page 20

BL Cars strike threat recedes as unions split

BY ARTHUR SMITH, MIDLANDS CORRESPONDENT

FEARS OF an all-out strike by BL Cars manual workers receded last night with the engineering union's decision to instruct members to accept the company's controversial pay package.

The decision marks another victory for the tough line Sir Michael Edwardes, BL chairman, has taken with the unions.

The company's offer of a 10 per cent pay rise for top grade workers, compared with 5 per cent for the rest appears to have driven a wedge between the skilled unions and the Transport and General Workers' Union.

Mr. Terry Duffy, president of the Amalgamated Union of Engineering Workers, said his executive had voted unanimously yesterday to support the pay package following a two to one vote by members within BL not to take action.

He said: "We will instruct our members to resume work after the Easter holiday and support the terms of the company's programme."

National officials of the 11 unions representing the 85,000 manual workers, including the AUEW, meet in Coventry today to consider a call by union negotiators for a strike from April 8.

The TGWU, which initially gave strong backing for the call, will find it difficult to find support given the splits among the unions. Those representing the electricians and patternmakers are also expected to express strong opposition to militant action.

But even a union climbdown from threatened action will not guarantee BL an easy passage with its proposed measures, which include fundamental changes in working practices.

The TGWU, like the other unions, fears the consequences of disputes, but feels obliged to defend the traditional power of its shop stewards to control manning levels and the pace of work.

But BL cars seems prepared to ride out resistance expected from groups of workers or individual plants. Stocks of most models are adequate to withstand short-lived strikes. And workers are likely to be reluctant to take militant action now because of their weak bargaining position.

Employees at plants such as Canley, Coventry, and Castle Bromwich, Birmingham, who are due to be made redundant, are anxious to get money into their pay packets as this will influence the level of compensation payments.

Many skilled workers could gain back pay of up to £300 on the deal, which should have been implemented last November. Earnings will also be increased by parity payments and a proposed self-financing incentive scheme.

• Triplex is to make 200 workers redundant in Birmingham, in the first significant move by a components supplier in response to BL Cars' reduced production schedules.

The company is to suspend production of its Ten Twenty laminated windscreens, most of which go to BL, for a year.

Titan transfer plan, Page 8

Call for 3-year Post Office plan

BY GARETH GRIFFITHS

THE Post Office should launch a three-year plan to reverse ten years of falling productivity in London's postal services, a Monopolies Commission report on postal services in Inner London recommended yesterday. The report also called on the Post Office to provide more regular and detailed information on its operations.

The report is to be the subject of a meeting, probably later this month, between Sir William Barlow, Post Office chairman, and Sir Keith Joseph, Industry Secretary.

There should be greater accountability by the Post Office, it says. Various existing controls had done very little to make the Post Office more efficient.

The report calls for a reduction in excessive levels of overtime working, a work-related incentive scheme, a more professional approach to personnel management and an increase in the price differential between first and second class mail.

The commission, which looked into Inner London postal services at the request of Mr. John Nott, Trade Secretary, also wants the law on the Post Office's letter monopoly modified to encourage the development of more privately-run special same-day delivery services for urgent mail within the London area. In addition, it says private companies should be allowed to operate a service taking bulk mail out of London for posting elsewhere.

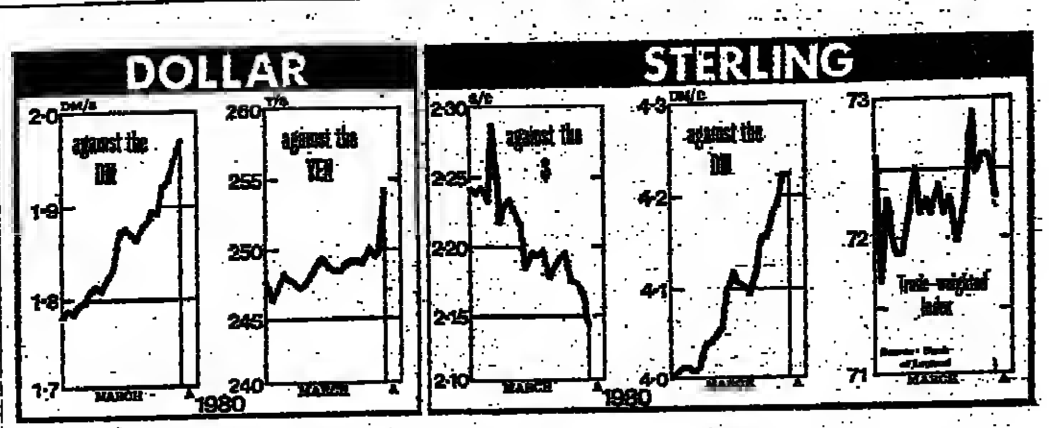
The question of the Post Office's monopoly is already the subject of a separate review by the Department of Industry.

On accountability, the commission wages the monthly publication of performance figures, detailing production levels and the success rate in next day delivery of first class mail. Noting the little effect previous probes into the Post Office have had, it calls for the Department of Industry and the Post Office to draw up a

Continued on Back Page
Details, Page 11

CONTENTS

For latest Share Index phone 01-246 8026



Dollar continues to rise

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

THE DOLLAR continued to rise sharply yesterday against all other major currencies in spite of continued very heavy central bank intervention.

The gains were in response to further increases in U.S. interest rates, and took the dollar up to its highest level since summer, 1978, against both the Deutsche Mark and the Swiss franc.

The strength of the dollar is best reflected in its trade-weighted index, measuring its value against the average of other currencies as calculated by the Bank of England. This rose a point to 91.8 yesterday — the highest level since November 1977, and a rise of 6 per cent in the last month.

The further appreciation of the dollar has put pressure on the authorities in West Germany and Switzerland to consider a further increase in their interest rates to support their currencies.

The central banks of both countries, along with those of the Netherlands and Japan, were reported to be intervening on a very large scale. The Bundesbank sold $39.9m at the morning fixing in Frankfurt yesterday, and is believed to have sold a much larger quantity of dollars during the rest of the day.

Nevertheless the dollar still rose to DM 1.9705, compared with DM 1.9510 previously and less than DM 1.80 a month ago. The U.S. currency rose to SwFr 1.87 against SwFr 1.8510 and to Y254.40 against Y249.85. In response to recent currency movements, the Bank of Japan and the Swiss National Bank yesterday announced a swap arrangement equivalent to roughly $800m (Y200bn).

The rise in the dollar also affected sterling, which had started to fall in the U.S. markets overnight. After touching a low of $2.1267½ in the morning, buying was reported from both the Middle East and the U.S. and the pound recovered to close 2.15 cents down at $2.1425. The Bank of England is not believed to have been active.

Sterling again remained firm against the main Continental currencies, closing unchanged against the Deutsche Mark at DM 4.22¼ after a rise of nerly 4½ per cent in the last month.

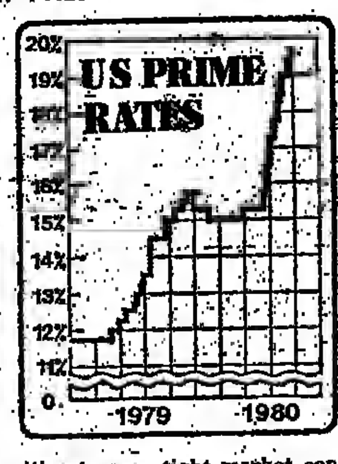
The pound's weakness against the dollar resulted in an 0.3 point fall in the sterling trade-weighted index to 72.3. However, the strength of the pound against the Continental currencies in recent weeks has meant that this index has shown little net change in the last month.

Japan agrees Swiss swop Page 4
Money Markets Page 26

Chase Manhattan lifts prime to 19¾% in money cost surge

BY STEWART FLEMING IN NEW YORK

THE CHASE MANHATTAN Bank lifted its prime rate to a new peak of 19¾ per cent yesterday amid evidence that the surge in cost of money in the U.S. is having a growing impact on the corporate sector.



The Chase move followed an announcement by Citibank, the second largest U.S. bank, that it was falling into line with last Friday's rise in the prime, when many major banks lifted the rate at which they lent to their best customers from 19¼ to 19½ per cent.

But Chase leapfrogged that rise going from 19½ to 19¾ per cent. There were signs of continued tightness in the money markets, and evidence that the Federal Reserve Board was not attempting to resist market pressures which have driven interest rates higher in the past few days.

Thus for the second consecutive day Federal funds, overnight money which banks lend each other, were trading at about 19¾ per cent, without determined action by the authorities to ease tight market conditions.

Last week Federal funds traded at an average rate of about 18.6 5per cent.

But perhaps the most striking contrast in hte money markets, and one which amply illustrates investors' nervousness about the impact of the Fed's policy and high interest rates, was to be seen in the Treasury bill market.

Three-month bills were quoted once again at just under 15 per ecnt.

Dealers said that in part this relatively low return on a three-month bill compared with a three-month bank certificate of deposit, quoted at about 18 per cent yesterday, reflected a flight to quality.

Investors are putting their funds most aggressively into what they see as the most secure and most liquid short-term investments even at the cost of a lower yield.

The Chase move was not immediately followed by other major banks, although it is widely expected that others will follow if present high rates and heavy demand for bank loans does not quickly subside.

£ in New York

—	Mar. 31	Previous
spot	$2.1516-1530	$2.1775-1800
1 month	0.39-0.44prem	0.08-0.15 pm
3 months	90.3-0.78prem	0.55-0.60 pm.
12 months	879-1.05prem	0.60-0.70 pm

The motor industry could be heading for a trade war in finished cars, according to a new study. **Kenneth Gooding** reports

Protectionism rears its ugly head again in Europe

EUROPE COULD become a net importer of cars as early as 1983. This is just one of several disturbing trends within the motor industry identified by Eurofinance, the Paris-based research organisation which is backed by several large banks.

In its latest European Car Industry Review, the organisation suggests that protectionism is re-emerging as a man industry theme for the early 1980s. It also concludes that the pace of changing fortunes is so great that it might not be long before European countries are indulging in protectionism against European cars.

At the same time it is becoming much more difficult to export built-up cars or car kits and by 1985 there conld be a world surplus of 500,000 "export" cars looking for suitable markets. The motor industry could be heading for a trade war in finished cars.

Identifying the factors which seem bound to turn Enrope into a net importer of cars, the report's author, Mr. Michael Hinks-Edwards, points out that tha Japanese are the main exporters to Europe with annual sales running at 650,000 to 700,000.

If the Japanesa record only minor increases in existing market shares in Europe but consolidate sales in West Germany (where the indications are that they want np to 12 per cent by the mid-1980s) they could easily bet selling 900,000 cars by 1985.

That total does not include Honda cars made by BL (80,000 to 100,000 a year from 1981) or those to be prodnced under the terms of the deal between Alfa Romeo of Spain and Nissan of Japan (50,000 to 60,000 a year).

Comecon's Eastern European producers currently sell about 150,000 to 200,000 cars a year on European markets. This could rise to 300,00 by 1985 because Fiat's recently-concluded arrangement with Polski Fiat will at least maintain (and probably expand) the volume of Polisb-1built car sales, wbile Citroen's deal with Romania involves the eventual buy-back of up to 65,000 cars a year.

U.S. producers send about 50,000 cars to Europe a year and as they reduce the size of their vehicles there will be scope for them to fill in gaps inthe ranges of their European subsidiaries. This scope might be exploited to the tune of about 200,000 units a year by 1985.

Ford of Europe's chairman Mr. Robert Lutz recently said there might be scope for his company to bring from the U.S. a small, four-wheel-drive vehicle an an addition to the European range.

Current imports from other sources are not yet significant but these could represent 50,000 a year by 1985. Fiat will bring into Europe some 20,000 Brazilian-built cars in 1980 and this may well expand. Hyundai of South Korea aims to sell 10,000 cars a year in Europe befora 1985.

Against this increase in imports, the reasons for the steady decline in European car exports are well-known, says Mr. Hinks-Edwards. There is tha growth of local assembly or production in export markets, the prime example so far being Volkswagen's production in the U.S. of cars which otherwise would have been exported from Germany.

"The longer-term aim of most big European importars into tha U.S. must be to emulate Volkswagen and increase production-assembly in the U.S. and Latin American thereby reducing dependence on European-built product with its long supply lines and vulnerability to exchange rate changes."

The introdnccion of "world cara" also complicates the issue. The idea is that components common to modela sold in markets all over the world can be produced on a vast scale in a limited number of specialised plants. They would then feed assembly plants supplying national markets.

Fnrd will end exports of Fiesta from Europe to the U.S. whan its "world car" code-namad Erika and to be known as the Escort, makes its appearance in the autumn this year. That will cost Europe 70,000 to 80,000 exports.

The Eurofinanca report does not mention other developments to follow the launch of Erika auch as the ending of Escort car kit exports to the Far East from Britain because Toyo Kogyo of Japan, in which Ford has a 25 per cent sbareholding, will be producing Erika for that market.

By 1982 Ford will have its Cortina/Taunus replacement, code-named Toni, ready and there is every reason to suppose that kit exports frnm the UK, running at 200 a day, will then cease.

However, as the report points out, "whether the loss of net car exports will be compensated for by gains in component exports is another matter. It is not easy to track component imports and exports in the same way as those of cars."

What is known is that there is a growing volume of component imports into Europe under the aegis of Japan-Europe deals (involving BL and Honda, Nissan and Alfa Romeo and Nissan and Motor Iberica of Spain) as well as Comecon deals with the West—Renault-Romania, Citroen-Romania and General Motors-Yugoslavia.

The report suggests that those companies witl. a "world component supply" operation—with production facilities in several countries and continents—are not only less vulnerable to protectionism but also will take a bigger share of world car sales during the next decade.

National-direct exporters, "companies producing mainly from a single-country base and relying on exports of finished cars for growth," will face increasing difficulties in the 1980s.

In new markets such as Latin America and the Comecon countries, and in the rest of the world as demand develops, the national-direct exporters face legislation stipulating certain export levels in exchange for the chance to aell cars there.

They will also have to cope with the technical differences in products sold in well-established markets like the U.S. and Europe and other parts of the world. Manufacturers exporting in relatively small volumes could find the cost of such adaptation increasingly difficult to meet.

All this will force national-direct exporters everywbere to concentrate their efforts on the same limited number of markets. Eurofinance suggests that the national-direct exporters' sbare of the business will fall from 4.75m cars in 1980 to 4.3m in 1990 at a time wben world car sales should increase from 32m to 43m.

So, the report declares, "the Japanese are clearly asking for political trouble by placing the emphasis on finished car exports." The Japanese producers are already pntting in the extra capacity which suggests they want to build exports from 3m to 4m cars a year by 1985. To achieve this they will have to ship a substantial proportion as kits fnr assembly in the country nf destination.

"Such a switch is already happening, fnr example with Honda' prsopoed U.S. assembly plant and the arrangements in Europe with BL and Alfa Romeo, but it may not be fast enough.

"Currently about 17 per cent of Japanese car exports are shipped in kit form. This proportion will hava to rise rapidly if the Japanese are to bead off problems in trade politics," the report maintains.

Whila the Japanese face problems, so do the European mannfacturers as protectionism develops. Eurofinanee declares, "it is becoming increasingly difficult to argue that protectionism does not work, see for example Japan, Spain and Brazil. "Car trade within Europe could become an industry 'troubla spot' in the 1980s.

"Tha speed of the swing in car industry growth fortunes away from tha UK and Italy to France and Spain may be too rapid for the politicians, to say nothing of the trade unions."

Since the report was written, the UK Trade Minister, Mr. John Nott, has complained in the strongest terms to the European Commission about the preferential treatment Spain is giving to those manufacturers who have car and truck plants in that country. He argued that this was not proper behaviour by a country which wants to join the EEC.

France and Spain together, accounted for 31 per cent of European car output in 1973 and this had risen to 37 per cent in 1979. Eurofinance suggests the figure might reach 45 per cent by 1985.

In contrast, West Germany's share of European car output is expected to decline over the same period while in the UK there is the prospect of "a steep decline."

As for Western Europe as a whole, its share of tha growth in world car production (up from 30m in 1973 to 33m in 1979) in recent years has been zero. Japan took the biggest share of the extra 3m cars—1.5m—with the rest being taken largely by Comecon and Latin America.

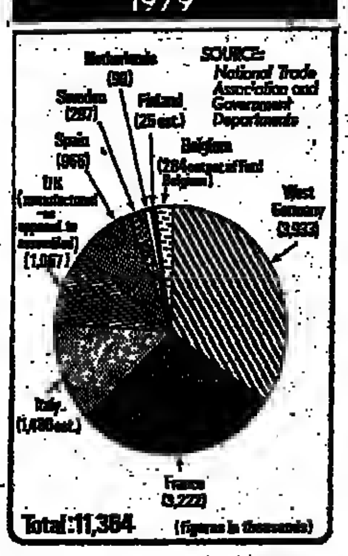
"Thus Europe's share of world car production is down from 38 per cent in 1973 to 34 per cent in 1979—and it is likely to go on dropping."

FUTURE TRENDS (cars 000s)

	1980fc	1981fc	1982fc	1983t	1984t	1985t
Production	10,745	10,922	11,473	12,016	12,265	12,445
of which Exports	1,550	1,500	1,200	1,066	1,024	1,035
Exports as % of production	14.4	13.7	10.5	8.9	8.3	8.3
New registrations	9,965	10,172	11,073	11,650	12,116	12,410
of which Imports	850	850	1,000	1,200	1,375	1,400
Imports as % of supply to market	8.5	8.3	8.9	9.9	10.9	10.9
Net exports*	700	650	200	−134	−351	−365
Stock factor†	80	100	200	500	500	400

fc = forecast including cycle effect. t = trend.
* Exports minus imports. † Production plus imports but excluding new registrations and imports.
Source: Eurofinance

Passenger Car Production 1979



Confindustria turns for a leader to Italy's smaller enterprises

BY PAUL BETTS IN ROME

VERY SOON, Confindustria, Italy'a national employers' confederation—the equivalent of Britain's CBI—will bave a new chairman. After a long and difficult search, confederation members have chosen Sig. Vittorio Merloni, a 47-year-old manufacturer of refrigerators and disbwasbers, to lead them in the 1980s. He will be elected at their annual meeting in the first week of May.

On learning be was to succeed Sig. Giovanni Agnelli, the cbairman of tha giant Fiat car group, and Dr. Guido Carli, a former Governor of tha Bank of Italy, in the most prestigious job Italian industry can offer, Sig. Merloni remarked that if, like the Pope, he had to cboose a new name, he would call himself "Giovanni-Guido I."

This was a clear reference to Sig Merloni's intentions of following the broad policies set by his two distinguisbed predecessors, in much tha same way as the last two Popes have chosen tha names of their immediate predecessors, Pope Paul VI and Pope Jobn XXIII.

Sig. Merloni's nomination will nevertheless mark the beginning of a new era at Confindustria. He could not come from a more different background than his two predecessors. They were internationally known figures. The charismatic Sig. Agnelli is in bis own words one of the few surviving representatives of what is still both big and private in Italian industry. Dr. Carli, who succeeded Sig. Agnelli four years ago when he left the Central Bank, has for years been a leading economic personality in Italy

In contrast Sig. Merloni comes from onc of thise families of Italian industrialists wbo, from modest origins, managed to build up during the years of the so-called Italian "economic miracle" of the 1950s and 1960s a series of flourishing industrial ventures. Sig. Merloni comeo from the central region of the Marches on the Adriatic coast, where his father, Aristide, earned his living originally building scales.

In the late 1950s, Sig. Merloni's fatber opened a plant manufacturing household appliances with the support of the late Enrico Mattel, the celebrated chairman of the national energy group, ENI, who revolutionised the entire philosopby of Itallan state sector companies. The Merlonis never looked back. Like the Zanussi family in the northern region of Friuli, wbo started off as small manufacturers of stoves and subsequently set up an industrial empire in the domestic appliances sector, the Merloni group bas continued to expand.

The group today bas an annnal turnover of nearly L300bn and employs 5,000 people in 13 plants in Italy, mainly in the Marches, and in three factories in Britain, Belgium and Portugal. Vittorio Merloni and his two brothers, Francesco and Antonio, took over tha management of the group 10 years ago wben their father Aristide died in a car crash. In memory of bim, the brand name of the Merloni range of products is Ariston.

In many respects, the new Confindustria chairman is a typical representative of that breed of second generation Itallan small- and medium-sized industrialists whose activities are now generally regarded as being the most profitable and dynamic end of Italy's industrial structure at large. Highly aggressive, predominantly export-oriented, constantly renewing technology, this myriad of small- and medium-sized industries bas continued to remain profitable at a time wben larger Italian groups are facing greater difficulties.

In the Marches, the Merloni group is today regarded as the region's leading industry. Sig. Vittorio Merloni bas a private helicopter, and owns a share in a small executive jet. Tha family has set up an academic foundation, and one of the brothers, Francesco, is a Christian Democrat MP following a recent trend among Italian industrialists to seek direct representation in Parliament to enhance their lobbying power in Rome.

Despite its industrial expansion, the Merloni group bas retained the characteristics of a medium-sized company, and none of its plants employs more than 425 workers.

Although Sig. Merloni has indicated that he plans to continue on the broad lines of his two predecessors, ha has already mada one important public statement. He hoped, be said, to put the emphasis on industrialists' day-to-day problams. "We must be close to those industries which are growing, favour their technological improvement and help the development of their management cadres to make them stronger and more international."

Before his nomination, Sig. Merloni said in a newspaper interview that the new Confindustria chairman "would have to be a successful industrialist, a relatively young man with some experienca of employers' associations, and with the time and zeal to work." He seems to fit the bill perfectly

Sig. Merloni: beginning of a new era at Italy's employers' confederation.

FINANCIAL TIMES, published daily except Sundays and holidays. U.S. subscription rates $365.00 per annum. Second Class postage paid at New York, N.Y., and at additional mailing centres.

REPORT SEES NEED FOR FURTHER MEASURES SOON

Gloomy IMF view on Turkish economy

BY DAVID TONGE IN WASHINGTON

THE International Monetary Fund's latest review of the Turkish economy warns that further measures will be necessary to bring the economic crisis under control.

The review, which highlights the intractability of the problems facing Turkey and its creditors, says: "The outlook for the public finances and consequently for monetary restraint is not especially encouraging and, notwithstanding the large rise in the prices of SEE (the State Economic Enterprises) products in January, additional action may soon be required."

It adds that "an important weakness in the authorities' financial policies clearly relates to the (low) level of interest rates. It calls for "exreme caution" over wage settlements and the need to find new revenue sources if inflation, now running at an annual rate of over 80 per cent, is to be controlled.

The review, which is confidential, is dated March 14 and waa circulated to members of the executive Board of the IMF before the Organisation for Economic Co-operation and Development's pledging session for Turkey in Paris last week. This meeting failed to finalise an aid package which initially had been expected to total \$1.2bn-\$1.5bn. A further meeting is due on April 15.

Paris failure

The outlook for this new meeting appears favourable, even if the package is now forecast to be \$1bn-\$1.1bn. The geenral view is that the IMF's latest report did not contribute directly to the failure of the Paris session. "It reflects that even in tha course of this year, things in Turkey have not gone so well, but it did not cause us undue surprise," was one comment. However, the pledging session did hear remarks about the viability of the Turkish Government. Further, fears were expressed about the implementation of the Government's austerity programme which had not been heard at the previous OECD meeting.

It is these fears which run through the IMF's report, which comments favourably on the wide-ranging measures announced by the Turkish government in January. It estimates that, if a reasonable volume of imports is to be assured, the external financing gap will be \$2bn-3bn. It also stresses that the Government's effort to control inflation "will succeed only if it is supported by the availability of sufficient external credita and an adequate rescheduling of external debt to permit a significant recovery in the volume of imports."

The reports warn that the high rate of domestic inflation implies that the impact of the devaluation will again be rapidly eroded.

Turning to public finances, the IMF notes that the latest estimates of the 1979 budget show a "significantly more unfavourable outcome" than a month earlier. Also recourse by the Treasury to the central bank was only kept within the established limits by further increases in deferred payments to domestic contractors and in arrears on external debt, as well as by the issuance of development bonds.

● Budget estimates: The cash deficit on the budget is forecast by Turkish officials to rise 40 per cent to TL 100bn (£6.4bn) but the IMF staff believe this will be an underestimate.

Steep increase

● The State Economic Enterprises: These lost TL 60bn (£4bn) in 1979, about the same as in 1979, despite a steep increase in the prices of goods and services. The picture of their financing worsened sharply. The IMF says that the projection of an operating surplus for the SEEs in 1980 seems optimistic and warns that additional price increases could be needed to avoid losses.

● Monetary targets: The IMF says tht the limits established under the stand-by arrangements have been met but resists Turkish suggestions that limits on credit to the public sector be increased.

● Balance of payments: The IMF forecasts exports to reach \$2.9bn and imports to be \$6.9bn-\$7.9bn. The range depends on whether oil imports remain at the depressed levels of 1979 or increase in volume by around 20 per cent, as the Government would like. Workers' remittances have responded disappointingly to the January devaluation and the current account deficit is expected to total \$3.2-\$4.2bn. After allowing for existing IMF and other credits it foresees a financing gap of \$2bn-\$3bn.

By IMF standards, the report's language is strongly critical, but it also reflects the IMF's traditional tendency to concentrate on restraining the demand side of the economy. Ten days ago an IMF Board meeting agreed that more weight should be given to stimulating supply.

The banks' reaction to the Turkish Government's policies has been slightly more sympathetic than the IMF's review, with the same problems identified but more time given to the Turks to come to grips with them.

French call for closer monetary co-operation

By David White in Paris

FURTHER MOVES to co-ordinate international monetary policy are called for in a report sent to President Valéry Giscard d'Estaing by the Bank of France this week.

Presenting his first annual report as Governor of the Bank of France, M. Renaud de la Genière said that closer international co-operation, especially in the monetary sphere, was indispensable if inflation was to be brought under control and the international monetary system made more stable.

...He praised the progress made so far by the monetary authorities of the main Western countries, and particularly, the successful introduction of the European Monetary System.

M. de la Genière was appointed last November.

France's economy had shown proof of its "vigour" last year despite world wide difficulties, the new governor went on. It had achieved continued growth, increased exports, maintenance of a surplus in the current balance of payments, despite the extra oil bill, and a stable franc.

But bank lending to industry and households had advanced too rapidly. The Government's aim was to keep the growth of money supply down to 11 per cent this year. This was the same target as for 1979, when the actual growth rate exceeded this level by two percentage points, and it implied tighter credit controls and maintenance of sufficiently high interest rates, in line with the trend in other countries.

A fresh set of norms for credit growth this year were published at the weekend, aimed at getting rid of some of the loopholes built into the control system.

Firm Matthoefer line on current account deficit

BY JONATHAN CARR IN BONN

THE West German Finance Minister, Herr Hans Matthoefer, has prescribed a tough programme for the gradual removal of the country's current account deficit, which totalled DM 9bn (£2.2bn) last year and may be more than twice as big this year.

Writing for the press service of the ruling Social Democrat party, Herr Matthoefer stressed that efforts were needed both to boost exports and to cut the country's ever increasing oil import bill.

This meant on the one hand that the state must not try to shield the consumer from the impact of higher energy prices, since this would undermine the drive to save energy and to seek alternative sources.

On the other, West Germany's competitiveness abroad had to be improved, in particular through increased supply of energy-saving capital goods for which demand was rising worldwide.

Further, Herr Matthoefer firmly ruled out a general increase in public spending — and in the government deficit — to try to ward off a possible economic downturn. He felt such action would simply take essential pressure off enterprises to try to increase exports.

The picture drawn by Herr Matthoefer is an uncomfortable one for party colleagues who face a general election in only six months time. The message is that there is no short-term solution to the country's economic problems, least of all through a boost in Government expenditure.

Herr Matthoefer even seemed to find some grim satisfaction from the rise of the U.S. dollar, although this development is increasing West Germany's oil bill in Deutsche Mark terms.

He noted that the dollar was rising against most currencies — not only the Deutsche Mark — not least because of the sharp boost in U.S. interest rates. This, in turn, was a clear sign of the determination of U.S. monetary authorities to control inflation.

Dutch refuse to inject more capital into ailing shipyards

BY CHARLES BATCHELOR IN AMSTERDAM

A MAJOR part in the Dutch Government's programme to restructure the troubled shipbuilding industry is threatened with failure. The future of major yards near Rotterdam is now in doubt after Mr. Gijs van Aardenne, the Economics Minister, announced that extra Government aid will not be forthcoming.

The Minister gave details to Parliament yesterday of the reasons for his refusal to supply an extra Fl 100m (£21.8m) to help set up a new shipbuilding concern which would build offshore structures and large vessels.

Rotterdamse Offshore en Scheepsbouw Combinatie (ROS) has already been promised up to Fl 250m worth of aid, but mounting losses have meant a further Fl 100m is needed. Losses by ROS totalled Fl 135m last year — Fl 65m more than expected.

The Cabinet will consider tomorrow proposals from the Minister to make further cutbacks among the large shipyards along the Maas Estuary, near Rotterdam. The extent of losses, the poor market prospects and the need for extra financing all mean that even a slimmed-down large shipbuilding yard cannot be continued.

ROS, which has yet to start operating as a unified company, consists of a number of yards which previously formed part of the Rijn-Schelde-Verolme (RSV) group. The Government took over responsibility for the losses of these companies in January 1979 when their losses threatened to swamp profits made elsewhere by RSV.

The new company would have comprised RDM Offshore, the new shipbuilding activities of VDSM, Verolme Machinefabriek Ijsselmonde, RSV - Gusto Engineering and the engineering office Marcon.

The managing board of ROS had from the outset called for more funds to enable the combine to get off the ground. The current Centre-right Government has taken a tough line on "lame ducks," switching most of its investment aid over to industries with good prospects and away from maintaining declining sectors. Extra funds for ROS would mean less for the rest of the shipbuilding industry, the Minister said.

Spokesmen for the shipbuilding unions said they felt they had been deceived by the Government which, they claimed, had wanted to shut down the loss-making yards all along.

The jobs of 1,700 workers employed in these yards are now threatened, while further job cuts could occur among suppliers, the unions said.

RSV results, Page 28

Wages go up in Ireland

BY STEWART DALBY IN DUBLIN

WORKERS IN Ireland's industrial sector now earn on average Ir£105 (£93.83) a week, according to the latest figures from the Central Statistics Office. This compares with an average weekly pay packet of Ir£94.41 (£84.36) last June. Both figures refer to take-home pay.

If the Ir£105 figure is seasonally adjusted then the average take-home pay each week for an industrial worker is Ir£100 (£89.36) a week.

There are quite a number of variations within industry. Workers in the highly paid oil refinery sector have an average take-home pay of Ir£129 (£115.28). Some clothing workers, by contrast, receive something like Ir£40 (£35.74). Most workers work about 44.5 hours a week.

FAO seeks legally binding pledges on food aid

BRUSSELS — An international convention for emergency food aid, legally binding its signatories to their pledged contributions, was proposed yesterday by the head of the United Nations Food and Agricultural Organisations (FAO).

Mr. Edouard Saouma, the FAO director general, said such a convention is needed as western food aid pledges have not been fulfilled in recent years.

"I'm aware of the political implications of such a move, but I'm convinced that the chaotic situation of the world calls for a bold approach," Mr. Saouma told the European Parliament's development and co-operation committee.

The UN's international emergency food reserve, set up in 1975, had never eached its target of 500,000 tons of grain. In 1979 it barely exceeded 300,000 tons, Mr. Saouma said. Experience had shown that an annual reserve of about 2m tons of grain would be necessary.

"To guarantee such aid, I think it would be appropriate to resort to an international convention which would legally bind the signatories. I ask you to back this proposal strongly with the Community authorities," Mr. Sanuma told the committee.

He also called on the committee to lobby for greater Common Market development aid and regular food aid to the world's poor and hungry.

"It's disappointing to find that public development aid by the Western countries has barely attained half of the target set at 0.7 per cent of (their) gross national product."

Mr. Saouma aid contributions from the EEC countries are about 0.4 per cent of their GNP.

The Common Market was not doing enough in regular food aid, he said. Although it recently raised its grain aid from 1.2m to 1.6m tons annually, the food convention, just initialled in London, involves 7.6m tons of grain or only three-quarters of the minimum target set more than six years ago.

"The Community's dairy produce aid could also be greatly increased. Its level has not changed in the past few years while surpluses are piling up," he said.

AP

Mr. Brezhnev: received Lenin literary prize

Brezhnev reappears in public

By David Satter in Moscow

THE SOVIET President, Mr. Leonid Brezhnev, reappeared in public after an absence of almost four weeks and warned television viewers that in the light of increasing international tension, the Soviet Union would have to "keep our powder dry."

Mr. Brezhnev issued the warning on Monday in an address to high-ranking Soviet officials on Monday after receiving the Lenin Prize, the Soviet Union's highest literary award, for three volumes of memoirs about his experiences in the Second World War, post-war reconstruction and the development of the virgin lands.

"The existing international situation, particularly the facts of recent times, prompts us to keep our powder dry, to be determined and consistent in upholding the cause of peace."

The 73-year-old leader, who was last seen in public on March 4, also used the ceremonial occasion to repeat past criticisms of weaknesses in Soviet propaganda and ideological work.

The Communist Party Central Committee, in an apparent reaction to the popularity of foreign radio broadcasts, passed a resolution last spring calling for an improvement in Soviet ideological work, but the only results so far have been a few changes in newspaper layouts and slightly more variety in television news programming.

Mr. Brezhnev said ideological work was "spiritual enrichment," and the time had come to discard "high sounding words, bureaucratic language and mechanical repetition," all of which are typical of the Soviet Press.

Mr. Brezhnev, who promised that he would try to continue his memoir writing, said that "vast and painstaking work" is still needed to implement all provisions of the Central Committee's resolution.

Reuter adds: The Soviet Communist Party daily Pravda yesterday criticised recent defence agreements signed by the U.S. with Norway and Turkey, describing them as part of a plan to encircle the Communist bloc with a chain of military bases.

James Buxton reports on a recent trip to North Yemen

Why Sanaa makes the Saudis nervous

COULD North Yemen follow Afghanistan to become the next country to fall under Soviet influence? A strong of developments recently led pessimists in Riyadh and Washington to reach this conclusion.

First, they saw President Ali Abdullah Saleh's North Yemeni Government moving towards unity with Soviet-dominated, Communist South Yemen. Second, the North entared talks with tha National Democratic Front, its guerilla opponents who are supported by the south, as the Front joined the government.

Third, enormous quantities of Soviet arms and more Soviet mililitary advisers had been coming into North Yemen since last summer, hard on the beels of an arms deal with the U.S.

Finally, becausa the Government in Sanaa was on poor terms with Saudi Arabia, the Kingdom had cut off its financial support. But in the past few *weeks* the Saudis *have* resumed their aid: the guerrillas have been told they would not get Cabinet posts in a unified government and the North Yemen Government has assured Western countries and other Arab states that if there is union with the South, it will not be on tha basis of a Communist government.

A Soviet-dominated North Yemen closely linked to South Yemen, where Russia has a base at Aden, would be a disaster for the West, mainly because of the danger it would pose to Saudi Arabia.

But in North Yemen, politics are not viewed in such stark terms of East versus West. North Yemen has always walked a tightrope between conservatism and radicalism dictated by the stance of its neighbours and its own turbulent internal politics.

President Ali Abdullah Saleh has been playing the traditional Yemeni game with vigour and, having now obtained both Soviet arms and Saudi money, great success. What makes the game dangerous is that the Soviet Union now seems eager to make the most of opportunities in southern Arabia.

The root of North Yemen's problems is Saudi Arabia's ambivalence. Anxious to keep North Yemen non-Communist, Riyadh is equally anxious that Sanam should never become strong, let alone united with the South.

Saudis recognise that Yemenis are more industrious than they are, as well as being more numerous (there are about 6m people in North Yemen, about 1.5m in South Yemen and about 5m in Saudi Arabia).

So, whola aiding the Sanaa Government, they have also financed tribes in the north of the country who oppose the central government and have plotted the downfall of any Yemeni leader who looks like forging a strong nation state.

The past year has revealed the bankruptcy of Saudi policy. In February 1979, wben South Yemen assisted a National Democratic Front invasion of the North, Saudi Arabia panicked and dared not offer even token military belp from its own forces.

Though the South Yemeni army became over-extended, the North Yemeni forces were humiliated and the final settlement, negotiated in Kuwait, was an improbabla agreement by the two states to unite.

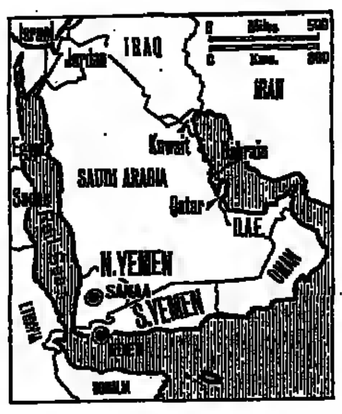
As a result of the war, Saudi Arabia persuaded the U.S. to speed up a long-standing arms deal over whicb Washington had bena dragging its feet for four years to provide a large new package of arms, including 16 F16E fighters, 64 M60 tanks and anti-tank and anti-aircraft weapons.

The Saudis paid for much of the eqnipment and for the teams to train the North Yemenis to use it.

But delivery of the arms was beld up by technical hitches on the U.S. side and some poltical obstrduction on the Saudi side.

Though the *impatient* Yemenis obtained all the F5s just in time for last September's national day parade, they saw that through its control of the training teams, Saudi Arabla could sabotage the programme at any time, while in terms of numbers of tanks and planes, the U.S. equipment still did not bring North Yemen anywbere near parity with the South's forces.

> **At the root of North Yemen's problems is the ambivalent attitude of Saudi Arabia, which is anxious to keep the Sanaa government non-Communist but is equally concerned that it should not become strong or united with the South.**



As North Yemen had used almost entirely Soviet weaponry since 1956 (many Yemeni officers speak Russia), an offsetting *arms* deal with Russia made a lot of sense. So, last summer and autumn, negotiations took place first with Poland and then with Russia for T55 tanks and MiG 21 aircraft.

Russian tanks and aircraft began arriving in November, only a month after agreement was reached. As many as 400 tanks are believed to have been relivered, and at one stage Soviet technicians were training Yemenis on MiG 21s at one end of Sanaa airport while Americans and Taiwanese were showing them how to use F5s at the other. The North Yemen government paid Russia in cash which originally came from Saudi Arabia!

Having started conscription and bolstered its forces to a strength on papar roughly comparable with South Yemen's (though it will take years to train enough men to justify the quantity of weaponry) the Sanaa government could happlly assure Saudi Arabia that it would not buy any more Soviet arms, and in return the Saudis recently resumed their budget support.

Tha government insists that the Soviet arms deals bava meant only a small increase in the number of Russian military advisers in the country, from about 200 to 300 (compared with 700 in 1974).

The improved relations with Saudi Arabia are not likely to mean the dropping of moves towards unity with tha South. The committees investigating it are working normally and the South Yemeni Defence Mioister recently went to Sanaa to discuss unifying the armed forces.

But there is much that is unreal about these talks. Both sides see unity as desirable in theory, but each wants it on its own terms. South Yemen is a harshly-governed Communist state whose unpopularity is *shown* by the fact that nearly half its original population now lives in North Yemen, where *governmental control is far* weaker but where economic development is faster and prosperity greater.

Though President Saleh's government is a coalition and contains a few ministers who would probably like to see unity with the South under Com*munism*, the *government as* a whole seems to have no intention of agreeing to any such thing.

But over the past 16 months the National Democratic Front has been wresting control of individual villages away from traditional ruling sheikhs in the southern part of the conntry and more recently the Tihama coastal plain, and encouraging some of the northern tribes to oppose the government by supplying them with arms.

Often the NDF action has responded to genuine grievances about corrupt or incompetent sheikhs, and the movement *partly reflects the shift of* economic power away from traditional rulers as more and more Yemanis become rich from the boom in Sandi Arabia and more village development projects are tackled on a cooperative basis.

The government denies that the NDF poses any danger and in places it has been driven out with force. But it is a measure of the NDF's influence in North Yemen that in January it was invited for talks with President Saleb on joining the government. The talks ended without agreemeot, perhaps because the NDF was too greedy, but the Front will contest the free elections for the constitutional assembly the government promises to hold at some stage this year.

President Ali Abdullah Saleh wants to solve North Yemen's external and internal problems by building a strong and unified modern state. But to succeed he must triumph over the inherent factionalism of his country and the destructive competition of its ill-intentioned neighbours.

Kaunda urges black states to unite against poverty

BY MICHAEL HOLMAN IN LUSAKA

PRESIDENT Kenneth Kaunda of Zambia, in a key note address to the economic meeting of nine southern African states here, made what appeared to be an attempt tactfully to steer the conference away from economic confrontation with South Africa.

The regional group had been established "despite and not merely because of South Africa and her concept of a regional constellation of states," the President told delegates in his opening speech.

"Our task is to link up our economies in order to strengthen ourselves. This is important in the strategy for self-reliance against possible attempts by South Africa to undermine the independence of various countries in tha region."

The "economic success" of the group would "certainly deal a mortal blow to the policy of *apatrheid*" *he went on but his* seven-page address dealt specifically with South Africa in only two cautiously-worded paragraphs, and concentrated on the need to "form a powerful front against poverty."

Attending the one-day meeting, preceded by talks at ministerial level, were Presidents Nyerere of Tanzania, Machel of Mozambique, Seretse Khama of Botswana, and Dos Santos of Angola; Prime Minister Robert Mugabe of Zimbabwe, and representatives from Swaziland, Lesotho and Malawi. Mr. Sam Nujoma, President of the South-West Africa Peoples Organisation (SWAPO) was present as an observer.

Except for Angola and Tanzania, all the states have vital economic links with South Africa. Zambia has been forced to import maize to avert a food shortage and the new Government of Zimbabwe has said that trade links with Pretoria will remain, in a pragmatic approach similar to that of Mozambique.

The tone of President Kaunda's speech contrasted with some passages of the draft declaration: Southern Africa: Toward Economic Liberation, drawn up at the first meeting of the group in Arusha, Tanzania, last July.

The draft, now before the Lusaka meeting for approval, describes South *Africa* as "a racist régime which holds Namibia under military occupation, grossly exploits the people and the economies of the independent states, and is a major barrier to our national development."

The contrast is in part a matter of emphasis. The Arusha draft speaks of the necessity "to liberate our economies from their dependence on South Africa," whila President Kaunda yesterday placed regional co-operation in a wider context, speaking of a "war against poverty" and the international need for economic reconstruction.

In the other public speech yesterday, President Seretse Khama, the group's chairman, maintained the theme of "economic liberation" which he adopted at the Arusha meeting, but was also careful to avoid a note of confrontation.

"What we . . . seek is the ability to exercise soma degree of choice which insures us against domination by one powerful partner. We are lookin for choice of transportation routes, choice of market, choice of sources of energy, and choice of investment partners.

Some delegates here believe that certain passages from tha Arusha draft may be amended, but the programme for economic co-operation drawn up last July is expected to win approval.

It proposed the establishment "as a matter of urgency" of a Southern Africa Regional Transport and Communications Commission to be based in Mozambique.

It also advocated tha creation of a regional development fund, the co-ordination of aid to member states, a joint policy on food reserves, and pooling of information and resources in the fields of mining, energy, and agriculture.

Japan agrees Swiss 'swap' arrangement

BY RICHARD C. HANSON IN TOKYO

THE Bank of Japan and the Swiss National Bank yesterday agreed to a rather unusual stadnby swap arrangement denominated in yen and Swiss francs equavilent to $800m (Y200bn) aimed at enhancing their co-operation in stabilising the exchange markets.

The arrangement, signed by the heads of the two central banks in Tokyo, came on a day wben the yen plunged against the dollar to the lowest point in nearly 2½ years. The Central Bank said, however, that the Swiss swap announcement was not related to the hectic market conditions.

The bank of Japan is believed to have sold about $550m to support the yen. The dollar jumped from an opening of Y250.10 to a high of Y253.80 at one point, with spot turnover rising to a heavy $1.115bn.

The market was rife with rumours of imminent action by the authorities to restrict short-term outflows, but none of these came true.

The agreement with the Swiss central bank may provide some much-needed psychological support for the yen. However, the Swiss and Japanese monetary authorities do not expect they will be using their new swap facility in the immediate future.

The arrangement would involve—in the case of support for the yen—selling of Swiss francs (SwFr 1.4bn would be available on two days' notice) to acquire dollars.

These in turn might be sold for yen. The Swiss franc at present is under selling pressure of its own, and the Central Bank in Switzerland would probably not like to aggravate the situation.

The agreement, signed yesterday, is also not directly linked to the announcement on March 2 that the Swiss *authorities* would co-operate with Japan in defending the yen. The Swiss are believed to have actually sold dollars for yen on at least one occasion since then.

The March 2 package also involved the on eother swap arrangement Japan can draw on, a $5bn facility with the New York Federal Reserve. So far, the swap has not been used, according to a Central Bank official.

The Japanese authorities, however, have resorted to some fairly heavy selling of their holding of U.S. Treasury bills through the New York Fed. for *funds* to prop up the yen in Tokyo.

This was reflected in a sharp decline in Japan's official foreign currency reserves last month, much of which is normally invested in Treasury Bills. As at the end of March, the reserves stood at $18,543bn, a $2,228bn drop from the end of February.

It represents the first time in more than four years that Japan's reserves bave slipped below $20bn.

Egypt raises interest rates

EGYPT HAS raised interest interest rates by 1 per cent across the board for local currency in line with the general policy of economic reform suggested by the International Monetary Fund with which the Government is negotiating a new loan, David Lennon reports from Cairo.

S. Africa bills up

Price increases covering mnch of the South African economy came into force yesterday, affecting food, transport, fuel and construction costs, Reuter reports from Johannesburg.

Chad hospital alert

The International Red Cross is evacuating the central hospital in N'djamena, capital of Chad, Reuter reports from Geneva. The hospital is caught in the middle of fighting in the capital, and a field hospital is to be set up in a safer zone to cope with "the enormous flood of wounded."

Malaysia power plan

Malaysia's National Electricity Board has been asked to shelve plans for nuclear power generation, partly because of fears over radiation, Mr. Leo Moggie, Minister of Energy, Telecommunications and Posts, said yesterday, AP reports from Penang.

Troops for Assam

India has sent two battalions of the paramilitary Border Security Force to its north-eastern state of Assam, where agitation is continuing against Bengali immigrants, the Press Trust of India said, Reuter reports from Calcutta.

Seoul severs talks with North

BY RON RICHARDSON IN PANMUNJOM

SOUTH KOREA yesterday refused to continue talks with North Korea aimed at arranging a meeting of their respective Prime Ministers, in protest at three armed incursions into the South attempted by Northern infiltrators.

Instead, the three Southern delegates insisted on abandoning yesterday's attempt to set an agenda for the Heads of Government conference.

Meeting in a tense atmosphere for the first time since the contacts began in early February, the delegates from both sides eventually agreed to postpone yesterday's session until April 18, "hoping that we can meet in an atmosphere which is better than that of today."

The South Korean representatives insisted that attempting to hold talks aimed at bringing the two governments of Korea closer together only days after clashes which left six South Koreans and at least four North Koreans dead, was "contradictory."

They demanded that tha North "take action to make sure such armed provocations ceasa."

Tha North denied it had instigated any infiltration attempts and charged that Seoul was attempting to dampen the atmosphere for the talks by "forging" the incidents.

South Korean officials are uncertain how to interpret tha spate of minor military provocations, which they believe are directly linked with the on-going North-South dialogue.

Observers are unwilling to *make any predictions about the* fate of the Prime Ministers' meeting until they see if the border "incidents" stop.

Carter's cuts attacked by Kennedy and Republicans

BY DAVID BUCHAN IN WASHINGTON

PRESIDENT CARTER'S revised 1980-81 budget proposals quickly came under attack yesterday from two predictable quarters — Senator Edward Kennedy, his chief rival for the Democratic Presidential nomination, and Republican leaders on Capitol Hill.

On the morning of the Wisconsin primary election, Senator Kennedy charged the Democratic President with presenting a "Republican" budget by proposing swingeing $15bn nublic spending cuts. By contrast opposition party leaders complained that the 1980-81 budget packaga was not Republican enough because it *contained no tax cut plan*.

Representative John Rhodes, the House minority leader, presented the Republican alternative budget plan, calling for spending reductions plus a $32bn tax cut in 1980-81. Lower government revennes and outlays are ..two prevailing orthodoxies of the opposition party. But how they would result in a balanced budget — a third credo of the Republicans —is not clear.

Mr. Rhodes also claimed the Administration was trying to balance the budget by raising taxes. This is a charge to which the Administration is very sensitive in an election year. On Monday Mr. Carter's economic advisers went out of the way to stress that the $15bn in spending cuts would alone close the 1980-81 deficit and put the budget into small surplus of $500m.

The overall estimate of a $16.5bn surplus in the coming *year is based on the calculation* that during 1980-81 two new tax proposala of the Carter Administration—a petrol conservation fee on imported oil and a withholding tax on interest and dividends—would bring in $16bn.

At this stage, the inclusion of these tax receipts is somewbat phoney because sooner or later both taxes will need Congressional approval and that is by no means assured.

Administration officials seemed to recognise obliquely this fact when they stressed this week that Congress would be urged to balance the 1980-81 budget by paring spending alone, not by dipping into revenues from the two new tax intiatives.

Liberal members of the Demorcratic Party, in particular, can be expected to bridle at the proposed cuts in domestic social programmes coupled with increased defence spending.

Some have already detected a sleight of hand in the administration's claim to have lopped $1bn axtra off the Defence Department's weapons programmes in 1980-81 while slipping in a $5.7bn increase to cover fuel costs and new naval operations in the Indian Ocean.

Brazil's metalworkers begin strike

BY RIK TURNER IN SAO PAULO

THE BRAZILIAN subsldiarlaa of Volkswagen and General Motors were among major factories hit by a strike started yesterday by Brazil's two most important metalworkers' unions. The two unions in the areas of Santo Andre and Sao Bernard with a third in Sao Caetano repreaent 225,000 metalworkers in the *so-called ABC iodustrial* zone, South America's largest industrial centre.

This is the second year running that their annual wage negotiations in March have led to strikes, making them the major event in Brazilian labour relations for the year.

Vehiclas represented $1.09bn of Brazil'a $15.2bn in exports last year. The need to achieve a trada balance and the delicate political liberalisation in Brazil make this year'a strike a key event once again.

Employers did not have an accurate estimate of the number of strikars but reports said few employees entered the factories of Volkswagen's subsidiary, which employs 40,000, or the General Motors plant, which employs 20,000.

The metalworkers are demanding a 15 per cent productivity increase in addition to *the usual six-monthly* inflation adjnstment all workers in Brazil receive by law. The employers are offering 5 per cent.

Bombs break calm in Salvador

SAN SALVADOR — A spate of nigbt-time bombings in a wealthy section of San Salvador broke nearly 36 bours of tense quiett hat followed last weekend's bloodsbed in the city's main square.

On Sunday, 31 people died and 143 were bospltalised, according to authorities, wben an explosioo followed by gunfire and more bombings broke up the funeral of murdered Arcbblsbop Oscar Arnulfo Romero.

"The real cause was the arrival of armed leftists to a buge concentration," Sr. Jose Antonio Morales Erlich, a junta member, told a news conference. "It could have even been an accident, someone could have dropped a contact bomb, but that is guilt because they came armed."

The junta presented a video tape and several news photos as evidence that the leftists were armed and there were no snipers on buildings on the square.

AP news photographers said two of the newsphotos were copies of original prints that disappeared from their hotel rooms and the third pboto was an original print of a picture *that also* had disappeared.

A churcb statement, signed by visiting foreign church dignitaries, rejected the Government's explanation of the incldent and said they had evidence of snipers on buildings on the square.

AP

Transport chaos hits New York

BY DAVID LASCELLES IN NEW YORK

MILLIONS of New Yorkers cycled, walked, jogged, and even sailed to work yesterday after city transport workers began their *long-threatened strike* over a new pay contract.

But conditlons were nothing like as chaotic as expected, partly because the city bad ample time to prepare itself and partly because this week coincides with schol bolidays and both the Jewisb Passover and Christian Easter festivals.

Tbe strike was called after *last-minute talks lasting* until 2 am failed to resolve pay claims by the city'a busmen, and train and Underground drivers. Although the negotiators "stopped the clock" in the early bours in a final bid to avart the strike, the two sides were still so far apart tbat the negotiations collapsed. By early morning, the last of the buses *and trains* had *stopped running*.

The unions are demanding a 12 per cent a year pay increase over two years, plus cost-of-living adjustments and other benefits. The best the city has yet been able to come up with is 6 per cent, witb some cbanges in working procedures.

Tbe buge gap between these two positions caused transport *officials to predict* yesterday that the strike could be a long one. The last strike in 1966 lasted 12 days.

The nnion leaders called their men out in defiance of both a court order barring a strike, and a New York State law which forbids public service employees from withdrawing thelr labour. However, the city and state authorities were not keen yesterday to aggravate the situation by arresting union officials nr calling out the National Guard. In previous strikes, union leaders have gone to jail, and tbey seem ready to do the same this time round.

Sweeping regulations came into force yesterday to cope with the criais. In Manbattan, private cars bad to bave two occupants before they conld pass along most roada. Some important streets, like Fifth Avenua, were closed to all but essential traffic.

This forced commuters to think ont ingenious routes to work. Many used their legs. Some even took transport across the Hudson River to New Jersey to *catch a still-running* subway line which bas two spurs reaching out to different parts of Manhattan.

Boats, bicycles, roller skates, and *skateboards* with *miniature* engines attacbed all appeared on the streets, giving the city an almost festive air which was enhanced by some magnificent spring weather.

It was not immediataly clear what bappens next. With the two sides retiring to their corners after their marathon negotiating bouts, it will probably be some time before talks begin again. Bot wbatever happens, the outlook is glooy for New Yorkers.

Any settlement above the current offer will only add to the city's transport deficit, hasten fare increasea, and aet back the time when New Ynrk can finally get a grip on its problema. Meanwbile, the strike is coating lt an estimated $140m

Peugeot forced to ship parts to Nigeria

By Terry Dodsworth in Paris

THE NIGERIAN authorities have finally forced Peugeot, the French car company, to abondon its system of flying out components to its vehicle asembly plant at Kaduna.

The so-called "aerial bridge" has now been abandoned. Since the beginning of the year it has been gradually replaced by sea transport from a variety of French ports.

These changes follow about six months of strong pressure from the Nigerians, whn want to develop use of the country's ports. Under the new system, the components will be shipped to Apapa, where they will travel either by road or by rail tn Kaduna.

Both Peugeot and UTA, the French airline which carries the parts, has fought hard against the change. For Peugeot, sea transport means less flexibility and will probably *demand higher stock* levels, while the aerial bridge accounts for about 15 per cent of UTA's freight receipts.

In addition, virtualy 70 per eent of the freight traffic at the Lyon-Satolas airport bas been devoted to the Peugeot business.

The air freighting of parts to Peugeot's Kaduna works, the company's *most important* operation in Africa, began in 1975. Abont 1,000 tonnes of compenents have tn be transported weekly tn maintain prodnction at lts present level level of abont 25,000 vehicles a year.

Rhodesia-UK outlook improves

By Mark Webster

BRITISH TRADE with Rhodesia *is slowly* picking np, according to applications for cover received by the Export Credits Guarantee Department.

The ECGD bas already received 70 applications for short-term cover since it was reintrodnced in December after 14 years of international sanctions.

The ECGD *said applications* ranged from telecommunications equipment and knitting machinery to mining equipment. The value of the orders was between £1,000 and £150,000.

The department has now announced the extension of lts facilities to provide medium-term cover for capital and *semi-capital* goods which are badly needed in the country because industry has been unable to replace outdated capital machinery.... ... ...

Initial responses to the restoration of ECGD cover were about what bad been expected, the department said. Bnt *it* is thought that the next three months will see a significant improvement in the level of exports to what was once a thriving market for Britisb goods.

Reports on the country's economy have highlighted the need for capital goods in industry and agriculture.

One of the first British companies to take advantage of trade with Rhodesia was Satchwell Sunvic which makes central heating controls. It has secured a contract worth £20,000 for the supply of electronic thermostats for the agricultural industry.

U.S. likely to lift S. Korea TV quota

BY RONALD RICHARDSON IN HONG KONG

THE U.S. is expected to remove the restriction on the import of South Korean-made colour TV sets later this year.

According to a senior U.S. Congressman visiting South Korea as part of a delegation, President Carter is expected to allow South Korean manufacturers full access to the U.S. market from July 1, wben the Orderly Marketing Agreement, which places a ceiling on imports, expires.

Mr. Charles Vanik, chairman of the trade sub-committee of the House of Representatives Ways and Means Committee, told a Press conference he did not expect the restraint agreement to be renewed. President Carter has to make a decision on the future of the nact by June 16.

The orderly marketing agreement, which came into force on February 1 last year and limits the import of South Korean TVs to about 204,000 a year, is a major *irritant* in *U.S.-South* Korean relations and its removal would be in line with other recent decisions by the U.S. Administration aimed at helping South Korea economically during its present period *of political transition*.

The local colour TV industry was developed with the U.S. market as its target and the five manufacturers have a combined *capacity of about* 1.7m *sets* a year. However, the limited access that has been available to the U.S. market held production down to about 400,000 sets last year.

The South Korean industry has felt unfairly restricted as the quota for imports from Japan is 1.75m sets a year.

Mr. Vanik said removal of the limit on shipments would offer *an opportunity for growth* to the Korean industry. "However, I must caution against surges in trade. Exporters must be sensitive to the political over*tones of surges* or *unreasonable* levels of imports," be said.

He also called on the South Korean Government to allow the sale of colour television sets domestically as *one way of* reducing the impact in the U.S. of imports. Currently domestic sales are banned as part of an on-going austerity campaign.

Slower growth in UK invisibles forecast

BY JAMES McDONALD

INVISIBLE EXPORTS of the major UK service industries—overseas earnings less expenditure abroad—are expected to show a lower growth rate of between 5 and 7 per cent in 1980 over 1979, with the biggest improvement expected by the banking sector, the Committee on Invisibla Exports estimates in its annnal aurvey of prospects for this year.

At about this time last year the *Committee forecast a rise* in 1979 of between 5 and 6 per cent for a roughly equivalent number of sectors. The actual result for the year was a rise of between 9 and 10 per cent.

Most sectors are expected to maintain, if not slightly increase, their market share of world invisible trade. But the survay cautions that its coverage excludea the nperations of UK and foreign oil companies whose Nnrth Sea activities "are currently imposing an increasing drain on the overall private invisibles surplus."

The major reason cited by almost all respondents in the survey for the rather low predicted rise in earnings is the worsening world economic recession, which is forecast to feed through to the *total* demand for services, "which is in turn expected to show little change." The comparative strength of the pound, even though expected by many to weaken in 1980, is alsn seen as an inhibiting factor.

Maintenance or expansion of market shares, despite increasing competition, is expected to *be achieved through intensified* marketing and promntion. Just under balf of the predicted rise in earnings should come from an increase in the volue of UK business abroad.

The survey says of the other sectors: Inward tourism earnings will show a modest increase

The UK shipping outlook is uncertain with the slnwdown in worl trade and higher costs working against the industry.

Forecasts for the insurance indnstry are mixed. Brokers anticipate a substantial rise in the volume *of* overseas business, bnt Lloyd's predicts a more modest growth

Confusion over Iran trade policy

BY SIMON HENDERSON IN TEHRAN

CONSIDERABLE confusion is still reported from the Tehran Bazaar—the country's dominant commercial institution—over the full implications of the first phase of the nationalisation *of foreign trade*.

Since the announcement twn weeks ago, in accordance with the Islamic Constitution, there have been eight days of Persian *New Year* bolidays *followed* by another two-days holiday this week. Neither the Bazaar or Government offices have been functioning normally in this time.

Fuller reports of the statement by Mr. Reza Sadr, the Commerce Minister, indicate that at *this stage it will only affect* four imports—paper and newsprint, jute, textiles and steel. Trading centres will be set up with representatives of industry. The Bazaar and Government will *estimate volumes required* and control their prices.

Snch a system effectively operates already outside the Bazaar for a ranga of food imports, including wbeat, meat an deggs and iron ore, through such institutions as the Government Trading Corporation of Iran and tha Iran Meat Organisation. The Tehran Bazaar frequently becomes involved here, at a later stage, for its estimated two-thirds staka in the wholesale trade, and, *outside* Tehran, almost all the retail outlets.

Reported comments from bazaar merchants and others involved in imports vary between confidence that the *system will work, frustration* at a further level of bureaucracy or complete exasperation. There is also the feeling that tha development is the thin edge of the wedge of further Government involvement, which has already led to the prohibition of a wbnle aeries of "luxury imports."

One bazaari described the new *regulations as like a jacket* which was too tigbt — it will soon wear through at the elbows.

Wimpey foothold in Malaysia

By David Dodwell in Kuala Lumpur

A NEWLY formed subsidiary of Wimpey, of the UK, and Sime Darby, has signed an interim agreement in Malaysia to advise on the development of housing and highways.

The agreement, reached with the Kedah State Government in north aast Malaysia, could lead to construction contracts worth *£100m*. It marks a major achievement for Wimpey, whicb has for years been unable to break into South East Asian markets because of the severe competition, mainly from Japan and South Korea.

The establishments of the subaldiary, Sime Darby Wimpey Technical Services, which was incorporated in Malaysia in January this year, comes at a time when Wimpey is worried by the fall in construction activity in the Middle East. It is hoped that Wimpey's expertise in the construction field combined with Sime Darby's naturalised Malay (Bumiputra) status, will eoable the joint ventura to capitalise on the construction boom expected in Malaysia over the next decade.

The Malaysian Agreement, signed last week, is the first deal to be completed by Sime Darby Wimpey.

FEFC effort to fight competition

BY WILLIAM HALL, SHIPPING CORRESPONDENT

THE POWERFUL Far East Freight Conference (FEFC) is streamlining its organisation to belp combat growing competi*tion from non-conference shipp*ing operators and the Trans-Siberian Railway (TSR).

Last year the FEFC appointed its first fulltime cblef executive and the London beadquarters has now been split into three divisions, each headed by an assistant director.

Speaking at a press conference in London yesterday, Herr Hans Kruse, chairman of the FEFC, said that in the past the FEFC secretariat had been little morethan a post office for its *members. Under the new* organisation, the full-time staff would play a greater role in the shipping conference's decisions on matters sucb as pricing.

The conference claims to ba the biggest in the world. Last year its 32 members carried 15m tonnes of cargo and earned gross revenues of $3bn. However, it has recently begun to suffer increasing competition from outside shipping companies which undercut the FEFC's agreed rates.

Herr Kruse estimated that outsiders now bad 15 per cent of the total Far Eastern market and undercut rates by as much as 20 per cent. One of the reasons competition was so fierce was overcapacity in the market.

The Trans-Siberian Railway now has more than 10 per cent of the total Far Eastern market.

Bulgaria passes foreign investment law

BY STEPHANIE GRAY

BULGARIA'S long-awaited legislation on foreign investment allowing foreign companiea unlimitad equity in *joint ventures was* passed by decree last week by the State Council.

Projects will, however, be considered on a case-to-case basis and the average foreign ahare is likely to be between 40 and 60 per cent.

Tbe legislation is aimed at fostering industrial projects though commercial and service ventures wil also be conaidered.

Mr. Moritz Asaa, Bulgaria's commercial counsellor in London announced the decree at a Press conference to promote the 36th International Plovdiv Fair to be held ln September.

He said Bulgaria was seeking foreign partners for their expertise in high technology rather than their financial resources. *Industrial joint ventures would* cover both Bulgaria'a needs and exports to third countries. Tbey would be granted only if companies wera prepared to invest for not less than three years.

Mr. Assa said the decree guaranteed foreign participation in the management of joint production aa well as secruity of investment, the right to profit and to transfer capital out of the country. Bulgaria would regulate the use of its resourcea by foreign companiea.

He was "confident" many British companies would take advantage of the new system which may help boost the very modest trade between Bulgaria and the UK.

Last year, Bulgarian *exports* to Britain fell to $23m (£11m) from almost $29m in 1978. Imports from Britain rose by only $1m to $52.3m. By contrast, trade between West Germany and Bulgaria rose 10 per cent with Bulgarian exports at $164.7m and imports at $340.7m.

Tha poor performance by British companies in the last year is underlined by their failure to win any of the large contracts awarded ln the fields of mining, transport, chemicals and hydro-electric power.

Mr. Assa said, however, that some progress had been made recently in negotiations for economic and industrial co-operation with ICI, Cadbury Schweppes and Yardley.

Last year, Bulgaria's national income rose by 7.2 per cent. Inlustrial production was up 6.6 per cent on 1978 as was labour productivity. Mr. Assa said the stable economic development consolidated Bulgaria'a position as a trade partner. Bulgaria's 1979 foreign trade earnings were Levs 15bn (£17.4bn).

It was hoped that the new decree and Bulgaria's economic performance will encourage British companies to participate more fully in the Plovdiv Fair. Last year there were only 21 British *exhibits* out *of a total* of 4,000.

SALT II nuclear arms treaty fades into oblivion on Capitol Hill

BY DAVID BUCHAN IN WASHINGTON

THE SALT-II nuclears arms treaty is fast fading into oblivion. U.S. Administration officials, most recently Mr. Cyrus Vance, Secretary of State, still make noises about the need for the U.S. Senate to ratify the pact, aigned in pomp last June.

But far from reflecting any optimism on the treaty's present chances on Capitol Hill, this stems from growing forebodings of what will happen if the treaty disappears into the dustbin of history.

In part, the dilemma may be one of President Jimmy Carter's own making. Had he not made sucb a fuss about a Soviet brigade in Cuba, which he first declared and then disclaimed a threat to American security, the Senate migbt just have reacbed a conclusion on the treaty last Christmas. But tbe Russian invasion of Afgbanistan, leading to a *nosedive* in *relations* between the two superpowers, threw the treaty out of court.

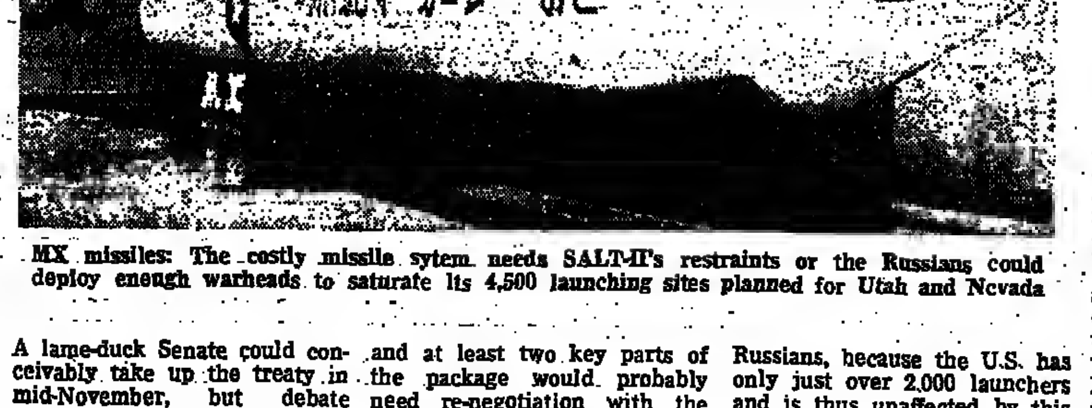
Against the background of a steady drumbeat of Administration *attacks* on *Moscow* for its forcible occupation of Afghanistan, recent reports that the Russlans msy have used poison gas there and, quite separately, that the anthrax outbreak around Sverdlovsk may indicate a breach of the convention banning germ warfare, bave not helped the prospects of SALT-II.

These allegations are as yet unproven, U.S. intelligence officials say, but their public airing has further increased mistrust of the Russians.

The Administration is clearly in several minds now about SALT. Early in March Mr. Carter et a Press conference held out the possibilty that be *might unilaterally renounce* the treaty, if Senate leaders came to the conclusion that that was the best course for the U.S. A day later, the President's aides downplayed this, stressing Mr. Carter's public undertaking to abide by the terms of the unratified treaty for the time being.

A simple glance at the Senate calendar shows the chances for SALT ratification this year to be virtually nil, on that count alone. About 60 legislative days remain—important energy legislation is still pending and Mr. Carter'a revamping of bis anti-inflation strategy bas put the budget process behind this year—until Coogresa takes off in early *October* to fight the *November* general elections.

Thirty-four Senators are up for re-election, and most, including pro-SALT heavyweights such as Senators Frank Church and John Culver, seem vastly relieved not to have to cast a vote on the controversial treaty.



MX missiles: The costly missile sytem needs SALT-II's restraints or the Russians could deploy enough warheads to saturate lts 4,500 launching sites planned for *Utah* and Nevada

A lame-duck Senate could conceivably take up the treaty in mid-November, but debate could easily be filibustered into the new year.

Senate rules require a treaty to be sent back into committee in a new Congress. The presence of new boys in that body would probably entail new bearlngs in three committees, as last autumn. So, with all else eqnal, the earliest conceivable date for a passage of SALT-II is late spring 1981.

But by that time the treaty will be nearly two years old, and at least two key parts of the package would probably need re-negotiation with the Kremlin—a prospect that would fill U.S. officials with dread. "When you pnt something like this to bed, you want to keep it asleep," commented one high State Department official.

That part of the SALT treaty setting a progreaaive timetable through 1981 for the reduction of missile launcbera, first to 2,400 and then to 2,250, wonld probably need updating. A tima extension on this would be solely a concession to the Russians, hecause the U.S. has only just over 2,000 launchers and is *thus unaffected by this* ceiling.

Likewise ,it is only the Russians wbo bave an interest in postponlng the expiration of the SALT protocol, restricting deployment of U.S. Cruise missilea beyond the and of 1981. Washington is going full ahead on building Cruises—last week Boeing Corporation was awarded the first production contract for the air-launched version of the missile—and an extension of the protocol is rated as politically unacceptable bere.

For the moment, SALT hangs in limbo, with Washington waiting uncomfortably for the Kremlin to react. A first stirring from Moscow came last week in an article reported by TASS, saying the Soviet Unioo could not be expected to stick to the SALT-II terms unless and until the treaty is ratified by the Senate.

Down with the treaty may go the American MX missile system, or at least the form proposed by the Carter Administratioo last autumn. The MX plan is to sbuttle 200 new missiles around 4,600 concrete launching aites in Utab and Nevada, so complicating the task of Russian targeters that it could not be wiped ont in a surprise attack. It would start replacing the fixed-site Minuteman missile force in the mid-1980s.

MX is specifically permitted under SALT-II. What is now dawning on a lot of people in *Washlogton* is that the treaty is essential ot MX—for without SALT restralnts, the Russlans could deploy enough warbeads to saturate the 4,600 shelters, if tbey really wanted to.

Of course, MX could ba expanded to outrace a Russian build-up. But the present plan is costly enough—$33bn by the Government's account, perhaps double that by other estimates. An expansion, too would redouble the growing nppositlon by the people of Utah and Nevada to allowing an influx of a vast workforce to build a special 10,000-mile road system for MX in their states.

The Air Force, doe to run the system, clumsily boasted at the outset that MX would be the largest public works project ever built, bigger than the *pyramids*, Alaska pipeline or Panama Canal. It has since stressed that the lasting impact would be small: only 25 square miles of land off limits. But the local ontcry *is* probably now unstoppalbe, and the Senators and Governors of conservative, defence-minded Utah and Nevada are now flatly against it going to their states.

The Air Force said last week it was looking at west Texas and New Mexico as alternative sites, but it is bound to run into the same local opposition there.

Scratching their heads, Administration officials are now mulling over a number of unpalatable alternatives or modifications to the present SALT-II. One possibility—whlch is dismissed at the moment almost as soon as it is raised—would be to protect MX with anti-ballistic missiles (ABMs). That would entail scrapping or amending the 1972 ABM treaty with Moscow, in *turn allowing* the Russians to put up the same defence around their offensive missiles.

The effect of this might be to *ensure defence of the MX in* the U.S. at the price of blunting its attack on the Snviet Union. Officials are aware that Britain and France might be gravely worried that allowing the Russians ABMs again might negate or at least reduce the effectiveness of their nuclear weapons.

MX missiles could conceivably be put into special aircraft able to land virtually anywhere at short notice and blast nff their cargo. A more plausible option would be to install MXs on submarines in the U.S. Great Lakes or just off the U.S. sea coasts. The theoretical objection to either of these courses is they would leave the U.S. with no nuclear force on land and rob it of its nuclear "triad."

MX and SALT-II are intertwined closely. But the fair degree of *support* that still exists for the missile system has not, or not so far, translated into any more Congressional backing for the doomed treaty.

£48m to provide new jobs in Wales

By Anthony Morton, Regional Affairs Editor

A £48m factory-building programme spread over the next two years was launched in Cardiff yesterday by the Welsh Office in conjunction with the Welsh Development Agency to provide jobs for displaced steelworkers at Port Talbot and Llanwern, Newport.

As a result of the proposal by the British Steel Corporation to halve capacity at the two major works, 11,300 steelmen are to be made redundant this summer.

The plan envisages the building of 1.25m sq ft of factory space immediately in and around Port Talbot and Newport, which should provide more than 4,000 jobs.

The agency is also to buy and develop a further 500 acres of land and speed reclamation work on 300 acres. These 800 acres will eventually provide 5m sq ft of factory space and provide work for up to 20,000 people.

Mr. Nicholas Edwards, Secretary of State for Wales, said that the new factories would provide up to half the jobs needed for the redundant steelmen.

"We are also seeking to bring in increased private sector money, especially for the building of more small units. We have had considerable success already, and the decision of Ferranti to open a plant at Cwmbran not only provides 1,000 jobs initially but also proves that it is possible to attract high-technology companies into Wales."

Of the first 1.25m sq ft of factories, nearly 600,000 sq ft will be at Newport and the rest in and around Port Talbot.

The Cwmbran Development Corporation, a few miles north of Newport, is also to develop 250,000 sq ft at Llantarnam at a cost of £3.5m.

Mr. Stephen Gray, chairman of the agency, said that "building work on the first factories is due to start in June and units should start becoming available early next year."

Full 85p bid ordered from ex-chairman

BY CHRISTINE MOIR

MR. JIM RAPER, former chairman of Saint Piran, the troubled tin mining and property group, and three overseas companies, Gasco Investments of Hong Kong, Ruffec of Luxembourg and Aerolinas Cordoba of Panama, must make a full bid for St. Piran at 85p, the Takeover Panel ruled yesterday.

Mr. Raper was unavailable for comment on the ruling but Gasco Investments said the company did not immediately agree with it.

Mr. Malcolm Stone, chairman of Saint Piran and also managing director of Gasco, said he would be travelling to Hong Kong on Sunday for a month. He would probably call a board meeting during that time "to see what can be done."

Mr. Stone was not sure whether Gasco "had the capacity to make a bid," a matter which the panel is also still investigating.

Yesterday's 24-page report by the Panel concentrated on the claim, first made by a group of Saint Piran shareholders in March last year, that share stakes totalling about 37 per cent of the company and registered in the names of eight overseas companies, were actually controlled by Mr. Raper.

The panel found that although there was "no direct evidence of the ownership" of the eight companies, "the circumstantial evidence strongly points to their being under the control of Mr. Raper."

"There are too many unexplained coincidences for it to be possible to regard the overseas companies as independent of Mr. Raper and . . . in at least two respects there was a breakdown in the efforts to maintain the illusion of independence," the report says.

Three senior executives of the Panel have spent nine months sifting through thousands of share transfer documents in their attempts to trace the movements of the 34 per cent of Saint Piran which Mr. Raper inherited in 1974 from Faber Marlin, a Hong Kong company.

At the time, Mr. Raper was required by the panel to divest himself of sufficient shares to reduce is holding to below 30 per cent. His personal holding is now stated to be only 1,000 shares, although 3.45m shares (29.6 per cent of Saint Piran) are held by Gasco.

The panel concluded that Mr. Raper "never truly divested himself" of the shares but carried out a series of deals with specially created companies in Liberia, Panama, Luxembourg and Hong Kong which left the final 37 per cent stake still under his control.

The complex web of nominee companies behind which the concert party sheltered has caused the Panel to make a general observation on companies' vulnerability to a quiet build up of control—although in the case of Saint Piran the panel believed that the Board knew all along of the existence of the concert party.

The panel points out that under company law companies can require nominee shareholders to disclose their beneficial ownership. But this legal requirement is all too easily compiled with by a simple declaration which does not uncover the ultimate ownership in a complex web of holdings, particularly in foreign hands.

The panel will now wait "for a reasonable time" to see whether the concert party in Saint Piran's case makes an offer. If it does not then the panel will seek further meetings.

Its ultimate sanction in the absence of any co-operation from a concert party which it has ruled should make a bid would be to seek to have its shares disenfranchised. It could also request the Stock Exchange to suspend the company from trading.

Fairey chairman urges end to uncertainty over ownership

FAIREY ENGINEERING announced yesterday it has won export orders worth nearly £10m in the first three months of the year for its medium girder bridge. The announcement coincides with a plea from Mr. Angus Murray, chairman of Fairey Holdings, for an end to the uncertainty surrounding the future ownership of the group.

The group report and accounts, published yesterday, show that Fairey made a pre-tax profit of £5.092m in 1979 (1978—£5.192m) on sales of £43.978m (£43.539m). On the basis of current cost accounting, the pre-tax profit last year was £2.751m. Exports totalled £24.094m (£27.408m).

In his annual report, Mr. Murray says the ownership uncertainty "has had an unsettling effect on the morale of management and the workforce . . . It has become abundantly clear that employees support the view of the board that the preservation of the group in its present form is vital to its future success."

On the trading outlook for the group, he says, "There is no reason to doubt that future prospects remain bright."

The National Enterprise Board, which owns Fairey, expects to hear today whether Hambros is prepared to extend its £19.5m cash offer for the group.

Fairey Engineering contributed 53 per cent of group turnover last year. The export drive on the medium girder bridge, which has been developed by Fairey with the British Military Vehicles and Engineering Establishment, is expected to yield further major orders in the second half of the year.

Work has been running short at the Stockport factory, partly as a result of slack orders for nuclear power equipment, the company's other main business. As well as selling more overseas, Fairey Engineering aims to diversify into new products.

Management page: Page 17

N. Ireland industry strategy retained

By Our Belfast Correspondent

THE Government is not to change Northern Ireland's industrial development strategy. This is against the advice of the Northern Ireland Economic Council and the trade union movement.

The region's industrial development structure, which is based on the Commerce Department at Stormont, will be retained. Except for a few minor changes, the present package of industrial incentives will continue.

The direct rule administration in Northern Ireland was under pressure to introduce a single development agency, drawing together all the job creation efforts, along the lines of the Irish Republic's Industrial Development Authority.

Mr. Giles Shaw, Junior Minister responsible for Northern Ireland industry, said yesterday structural changes would require legislation. Its introduction could take 18 months, and would seriously interrupt the present job creation momentum.

The existing organisation was "in no sense a failure," he said. More than 3,000 jobs were promoted in the first three months of the year.

The Government has proposed a consultative forum to bring together the Economic Council and the heads of the Northern Ireland Development Agency, which concentrates largely on public investment in industry; the Local Enterprise Development Unit, which helps small firms; and the Industries Development Advisory Committee, which oversees the efforts of the Commerce Department.

Following its review of incentives, the Government will maintain capital grants towards fixed assets, at rates up to 50 per cent; negotiable employment grants; interest relief grants and attractive factory rents, including rent-free periods of up to five years. It will extend the favourable tax treatment of capital grants.

The financial limit of the Development Agency will be increased from £50m to £75m.

BSC Shotton plant may go to Lonrho

BY ROBIN REEVES, WELSH CORRESPONDENT

THE British Steel Corporation may be forced, reluctantly, to sell its Shotton steel complex to Lonrho to offset its heavy financial losses after the national steel strike.

This was the impression left yesterday after a two-day visit to Shotton by Mr. Derek Norton, chairman of Lonrho's Hadfield subsidiary, to discuss buying the Deeside site.

Iron and steelmaking at Shotton has just ended, with the loss of more than 6,400 jobs, leaving intact only the finishing coatings complex—end of the works, which will ultimately employ only 3,300.

Mr. Peter Allen, managing director of BSC's Welsh division, maintained throughout that, as BSC's policy stood, the finishing end was not for sale.

"At the enormous social price of 7,000 lost jobs, Shotton has got itself squared. Coatings is a growth business which we value very highly," he said.

However, the hospitality extended to Mr. Norton and a team of colleagues by BSC over two days, ending with a joint Press conference, suggests a deal is not ruled out, given the right terms.

Furthermore, the Government may force the corporation to sell more assets to help its balance-sheet, which is expected to show a loss of at least £450m this financial year.

Although nobody is prepared to mention a figure, the sale of Shotton would clearly make a major dent in the losses.

Mr. Norton said he would prepare a detailed report for completion in a month, and planned further discussions on it with Mr. Allen and Shotton workforce representatives. He also intended to discuss the possible purchase with the Departments of Trade and Industry.

He repeated that Lonrho was interested in the whole site though he did not rule out a more complex deal with BSC. "A deal means a willing customer and a willing buyer," he said.

Ruling today on leak to TV steel programme

BY RAYMOND HUGHES, LAW COURTS CORRESPONDENT

A CLAIM by Granada Television that, in the public interest, journalists should not be compelled to name their sources of information will be ruled on by a High Court judge today.

The court has been asked to force Granada to disclose the name of the person who leaked confidential policy and planning documents of the British Steel Corporation.

The documents were used in a World in Action programme in February. The court was told they had come from someone with "a keen sense of indignation about dealings between BSC and the Government before and during the present strike."

BSC relied on the legal principle that if a person became involved in another's wrongdoing he has a duty to assist the person wronged by disclosing the identity of the wrongdoer.

Granada argued that its use of the documents had been responsible investigative journalism on a matter of public importance. It had promised its source that his identity would be kept secret.

The judge has had to balance these two viewpoints. If Granada wins there will be a fear that no organisation will be free from the risk of employees disclosing confidential information.

If the judge finds for BSC, investigative journalists might find their contacts reluctant to talk fearing a court might order their identities to be made public, putting their jobs at risk.

● An order for the release of £285,000 worth of "blacked" steel was made by a High Court judge yesterday.

Bishopsgate Steels became the fifth company to apply successfully to the court for delivery of steel held up by the steel strike.

The company complained that Humberside Sea and Land Services had refused to release about 1,890 tons of hot rolled steel sheet in coil belonging to Bishopsgate.

Mr. Justice Boreham ordered Humberside to deliver up the steel by permitting Bishopsgate to collect it during normal working hours.

Chemicals industry prospects 'bleak'

PROSPECTS FOR the UK chemical industry this year are "not bright," according to the latest report in the official publication British Business.

The report says demand for chemicals is "already beginning to slacken." It adds that with a somewhat bleak outlook for the economy generally in 1980, it is expected that chemicals output "may well decline during the year."

The industry had "a difficult year" in 1979 with export volumes going up by only 2 per cent "after growing considerably faster in previous years." Investment in the industry fell by 10 per cent, after rising by 20 per cent in 1978. The Department of Industry believes the downward trend is likely to continue.

Budget 'favours entrepreneurs'

THE BUDGET has given practical recognition to the importance of small businesses, the Confederation of British Industry said yesterday.

Mr. Fiennes Cornwallis, chairman of the CBI's Smaller Firms Council, said Sir Geoffrey Howe, Chancellor, had produced a package of relatively small but imaginative measures to help the small investor and encourage "entrepreneurial spirit."

Design lull

THE DSIGN Council's judging panel on decorative consumer products has only given one award this year "because both the standard and the number of entries were low." The award went to two collections of contract upholstery fabric by Donald Brothers.

Bright spot

PHILIPS, the Dutch electronics group, has invented an energy-saving electric light bulb which lasts five times as long as a conventional bulb, but consumes

Work on bridge

ROAD WORK on the Severn Bridge starting on Monday, April 14, wil mean lane closures and 30 mph speed limits for about two weeks, the Department of Transport has announced.

Britannia to buy Boeing 767s

By Michael Donne, Aerospace Correspondent

BRITANNIA AIRWAYS, the big UK holiday charter airline, is tn buy the new U.S. Boeing 767 "semi-wide-bodies" jet airliner from 1984 onwards.

The airline will initially bny two Boeing 767s, worth abont £50m including spares, for delivery from 1984. Although the airline bas not announced any options, it is expected that it will standardise on the Boeing 767 through the 1980s and beyond.

Britannia now bas 23 of the smaller Boeing 737 jets in service, with more on order, and it carries around 3m passengers a year on boliday cbarter flights between the UK and many Continental destinations. Britannia has 30 per cent of the UK boliday market for air inclusive tours.

Britannia studied several major new types of aircraft before deciding on the 767, including the European A-310 Airbus and the smaller Boeing 757 airliner.

The Britannia decision brings to 150 the number of 767s ordered firmly by 12 airlines. There are another 134 Boeing 767s on option.

● Philippine Airlines has ordered two Britisb Aerospace 1-11 twin-engined airliners. Tbe contract is due to be signed today.

● Air Lanka, the airline of Sri Lanka, has ordered two Lockheed Tri-Star airliners, with two more on option, worth about £100m in all. Rolls-Royce's share of this order will be worth about £30m for RB-211 engines and spares throughout the life of the aircraft in service.

Leyland National in £4m transfer plan for Titan

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

PRODUCTION OF the Titan double-decker bus is to be transferred to the Leyland National factory at Workington, Cumbria, which is to be expanded at the cost of £4m.

The move will create 315 jobs, 40 of which will be filled from the existing workforce of 475, which means Leyland National will need to recruit 275.

The Titan is currently being produced at the Park Royal plant in North London, which Leyland National is to close in June because it could nnt agree production targets with the workforce.

Park Royal was employing 630 but this bas now been reduced to 400 during the run-ont period.

It was originally intended that production should be moved to Lowestoft, another plant owned by Bus Manufacturers Holdings, the joint Leyland Vehicles—National Bus concern.

But 500 skilled workers at Lowestoft objected to the planned recruitment of 300 unskilled people for the project.

The Workington workforce is almost entirely *semi-skilled* and "recruitment is not expected to create difficulties," said Leyland National.

The delay in Titan nutput has not been well received by London Transport, potentially Leyland National's biggest customer.

LT intends to buy about 2,000 buses between 1981-84 inclusive and bas said that if Leyland National can supply Titans it will get part of the business, the other part being supplied by Metropolitan Cammell's Metro bus.

Leyland National said yesterday it was in the final stages nf negotiations with *LT* about Titan orders but obviously it would not bave gone ahead with the Workington expansion unless LT was reasonably firmly committed to buying some buses.

Unofficial estimates are that *LT* could take np to *200* Titans in 1981.

The Workington plant was opened in 1972 and currently makes single-decker uses. Work on a 90,000 sq. ft. extension sbould be completed late this year and the first Titan abould roll off the production line in April 1981.

Output of seven buses a week should be reached by September next year and this may rise according to demand.

Bank gives respite to £2m debtor

BY RAYMOND HUGHES, LAW COURTS CORRESPONDENT

WILLIAMS AND GLYN'S Bank agreed in the High Court yesterday not to enforce before April 14 its £1.78m judgment against Mr. Derek Barnes, former chairman and managing director of Northern Developments (Holdings).

The bank consented to Mr. Barnes being given more time to decide whether or not to appeal against the judgment, given last week in a seven-volume, 200,000-word decision by Mr. Justice Gibson.

The extension of a stay of execution of the judgment was agreed on Mr. Barnes's undertaking not, meanwhile to deal with or dispose nf any of his assets or property—save in the ordinary course of living expenses or business—without the bank's written consent, nor to remove any assets or property out of the country.

Mr. Barnes bad asked for the stay to be extended until May 1. His counsel told the judge that, in view of the magnitude of the jndgment, the decision whether or not to continue the litigation by appealing was one of great seriousness for Mr. Barnes.

The bank, bowever, refused to consent at this stage to an adjournment beyond April 14.

The judge said that any application by Mr. Barnes for another extension of the stay would have to be made by April 14.

In the action, Mr. Justice Gibson ruled that Williams and Glyn's was entitled to repayment of £1.78m loans to Mr. Barnes. He rejected Mr. Barnes's contentions that the bank had been guilty of negligence and breach of duty and contract to him and his company, and that the bank was not entitled to repayment on demand of money lent on overdraft.

The judge's award of interest and costs brought Mr. Barnes'a liability under the jndgment up to about £2m.

If Mr. Barnes appeals, the anxieties in banking circles that were soother by the judge's extremely comprehensive judgment in Williams and Glyn's favour are bound to be revived.

If the Appeal Court were to overturn the ruling, which involved complex questions about banks' duties and obligations to their customers, the reprecussions would be serious and far-reaching.

Lorne Barling sees Lucas-Kienzle's new headquarters opened

Counting on the tachograph

FOR THE next two years, tachographs will be big business in Britain and the major beneficiary is likely to be Lucas-Kienzle, the company which will meet a major share of the essentially artificial demand created by European Community-inspired legislation.

By the end of next year 400,000 existing vehicles and perhaps *100,000* new lorries will be fitted with tachographs under legislation which lays down various deadlines according to the age of vehicles. But the question for Lncas-Kienzle is: What will happen when the boom is over?

The company was formed in 1969 because the two parent companies were looking for each other—Lucas to provide the marketing strength and Kienzle the design and prodnction experience.

Bnt the expected boom was a long time coming after the phrase "spy in the cab" appeared. Political controversy raged, the European Court became involved, the EEC referendum was held, and Mrs. Barbara Castle blew bot and cold on the idea. In the meantime Lucas-Kienzle became impatient.

Supply

Its turnover was initially small, but doubled annually as a result of orders from a few "enlightened" fleet operators and for installations as original equipment on lorries being exported to Europe. Manufacture of tachograpbs in the UK was discussed, bnt it was decided that Kienzle would supply the UK market from its plant at Villengen, its manufacturing centre for the large European market.

Yesterday Lucas-Klenzle, 60 per cent owned by Lucas and 40 per cent by Kienzle, officially opened its new headqnarters near Birmingham for importing, marketing, rebuilding and servicing the range of tachographs *it offers.* It includes training facilities for fitters employed by its agents, and for those *learning* how *to* interpret charts, the discs on which informatinn is recorded.

Mr. Godfrey Messervy, chairman of Lncas Industries, said at the opening that, after earlier objections to the tachograph in this country, there was now broad *acceptance of its* valne.

"We set out ten years ago, despite the uncertainty at that time, to establish a leading position in the tachograpb market in Britain," he said. The company now faced a massive task, but was determined to make the most of the opportunity.

The average cost of installing a tachograpb is now £250 in*cluding labour, the instrument* itself, and related equipment, and the UK market could be worth as much as £100m during the next two years.

Competition has therefore been fierce, with a race developing among three companies to set up national chains of fitting and calibrating stations. Lucas-Kienzle now bas 120 Department of Transport-approved stations and has trained *400* fitters.

The two other companies are Smiths Industries, the electrical and motor components company, and Veeder-Root, the American-owned concern based in Dundee, which is the nnly one of the three tn make tachographs in the UK. The instruments sold by Smiths are made in France by Gitac.

Although Lucas-Kienzle clearly benefits from the long experience of Kienzle in vebicle monitoring, since it also produces tax metres and other recording equipment, EEC tachograph regulatinns mean the three companies have fundamentally similar products, each with its own refinements.

Marketing has therefore been critical, with each company stressing the suitability of its product for a particular purpose, and its ease of use, in view of the probably unjustified worries about driver co-operation.

Although the tracing or recording on a tachograph chart can be quickly interpreted by a trained person on a basic level, for instance to establish whether a vehicle has been driven economically, detailed analysis is more difficult and is the area in which future marketing battles will be fought.

Mr. Fred Kay, director and general manager of Lucas-Kienzle since he moved from Lucas CAV in 1969, likes to describe a lorry as a factory on wheels which should be monitored like another factory.

Protected

He admits that without legislation sales would be nothing like what they are today—generating a turnover for his company of £1m a month—and believes the time has come for managemen to look at the benefits of tachographs as adaptable instruments to improve transport fleet performance, rather than complain about installation costs and down-time.

He is also optimistic about the response of lorry drivers, who, be suggests, are far less opposed tn tachngraphs wben they understand they can benefit from improved productivity, and can even be protected from false accusations of speeding allegations or accidents.

A West Germany study suggests that monitoring drivers, as tachographs can do, can detect and belp correct bad driving babits which caause high fuel consumption and wear and tear of vehicles.

Although managers may spot this as an obvious point of conflict, with drivers refusine to be told how to do their job, Mr. Kay is more sanguine. Drivers should be aware, he *suggests,* that the tachograph is merely a neutral recorder of fact which may indicate room for improvement.

But more important, Mr. Kay believes management must learn how to use the information the tachograph provides to help the driver improve his performance. He suggests that present cumbersome paper reporting systems fail on two counts, first on basic accuracy, and second because assumptions may be made about company performance on that inaccurate information.

Lucas-Kienzle is the only company offering computer analysis of tachograph-derived data, although Smiths Industries may provide a similar service some day, and this appears to be the growth area of the industry.

Lucas-Kienzle is staking much of its future on the premise that companies will recognise the potential of tachographs and increase their use voluntarily, going beyond legal requirements, and so creating demand for new products.

For example, payroll calculations can be achieved through a computer reading of drivers' hours recorded by a tachograph, and the company is now making more space available nn recording cbarts for additional infnrmation. Tests are being carried out to record fuel consumption, gear changes, peak engine speed, tail gate lifts and other functions.

There *is* a considerable overlap between Lucas Industries and Kienzle on monitoring technology, which may become significant in the longer term, particularly on fuel systems, the area where there is likely to be most demand for improved efficiency.

Overall, higher operating costs should lead to a greater demand for monitnring systems now that the tachograph provides the basic instrument on which to build. That, at least, is what Lncas-Kienzle is betting on.

Estimates review system is 'a farce,' says all-party report

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

THE present system of Parliamentary examination of spending estimates is "a farce" and should be changed, according to a report* from an all-party committee of MPs published yesterday.

The Treasury and Civil Service Committee says present arrangements for considering supplementary estimates are unsatisfactory since they do not allow either the opportunity or the time for adequate scrutiny.

Supplementaries are requests by the Government for extra expenditure during the course of a financial year, in addition to the main spending proposals in the spring.

The issue has arisen now following protests last month by a number of MPs, including two committee members, at the usual procedure by which supplementaries are approved on the nod. The House approved spring supplementaries totalling £837m, of which £70m related to breaches of cash limits.

Consequently, the committee has recommended the setting up of a Procedure Committee to review the whole financial procedures of the House.

Meanwhile, it recommends that estimates should be referred to the appropriate departmentally-related Select Committee, each of which would decide in how much detail it wished to examine the estimates referred to it.

"Practices may vary from year to year: what is important is that the opportunity should exist for a thorough examination of the estimates by the House through its committees," says the report.

"At present, in practice, there is none. Select Committees must be made aware sufficiently early of the supplementary estimates requested by any department for which it is responsible.

"Select Committees should report briefly to the House following their considerations of the supplementary estimates.

"Even under present procedures such reports could well lead the opposition to choose the relevant estimates for discussion on the supply day concerned."

The committee also argues that the present minimum of seven days between presentation of supplementaries and their consideration by the House is insufficient and should be extended to 14 days. Consideration should also be given to a minimum of 21 days, it says.

The report concludes that its recommendations would "begin the process of improving the system and give the House a better opportunity for examining expenditure and controlling it."

The committee's report mentions, but does not reach a conclusion about, proposals to change Parliamentary procedures to allow committees to recommend a reduction in estimates which would be debated on the floor of the House.

The inquiry is part of tho committee's drive to improve the way Treasury activities and expenditure are monitored and to ensure that Parliament is better informed.

At a Press conference yesterday, Mr. Edward du Cano, the committee's chairman, said that after an inquiry into the Budget and the public spending White Paper starting today, the committee will undertake a major study of monetary policy from May onwards.

This will look first at the recent Green Paper on methods of monetary control before moving onto the general subject of monetary policy. The Bank of England's relations with the Treasury are likely to be examined.

Among other subjects which are being or will be examined by the committee are the employment of former civil servants, Civil Service staff numbers, the impact of taxation, certain aspects of the Finance Bill, and the recent Gree nPaper on the role of the Comptroller and Auditor General.

The committee yesterday also confirmed the appointment of Prof. Harold Rose of Barclays Bank to assist the inquiry into the recent Green Paper on monetary control and the appointment of Professors Willem Buiter of Bristol University, David Hendry of the London School of Economics and Marcus Miller of Warwick University to advise on the theory, testing and design of economic policy in the UK, particularly monetary policy.

* *First Special Report from the Treasury and Civil Service Committee, Consideration of Spring Supplementory Estimotes, House of Commous Poper 503, price £1.00.*

Pressure on motor component groups

By Kenneth Gooding, Motor Industry Correspondent

UK MOTOR component gronps face increasing difficulties in the replacement market, which currently account for abont 20 per cent of their sales, according to stockbrokers Laing and Cruickshank.

They point out that UK manufacturers' production of cars for export has (with the exception of 1975) fallen every year since 1969, when 824,000 cars were destined for export, equivalent to 14.5 per cent of the seven major Western European markets.

By last year, this had fallen to only 392,000, equivalent to only 4.9 per cent of the market. (Actual Western European market penetration was lower than this, as the figures for exports inclnde all countries in addition to the seven Laing and Cruickshank considered).

In 1969, car prodnction for export was almost eqnal to the ontput for the home market. However, during 1979, the volume of exports fell to less than 60 per cent of the number produced for the home market.

Laing and Cruickshank suggest that this year might be the most difficult for the motor industry since the war. "It is difficult tn see bow the industry can survive 1980 without a major structural change," says analyst Mr. Robert Barber.

Compouent manufacturers will be adversely affected by a 12 per cent decline in UK car production and by the 6 per cent fall in commercial vehicle output forecast by the brokers.

"UK motor components industry," Laing and Cruickshank, the Stock Exchange, London EC2N 1HA. £25.

Unit trusts pleased by tax concession

BY TIM DICKSON

MANAGERS of unit trust gronps reacted with unconcealed delight to yesterday's news that income from their UK fixed-interest investments was to be taxed more lightly in future.

The Unit Trust Association, which bas long campaigned for such a change, was bitterly disappointed by the absence of any statement in last week's Bndget.

Mr. Cholmeley Messer, chairman of the association, summed up the feelings of many of his members: "It conldn't be more exciting. The freedom of unit trust funds from capital gains tax was very welcome but this is certainly of longer-term significance. It has been a long hard road and we are very satisfied."

The surprise development, to be formally introduced in a clause to the Finance Bill, was announced in the Commons late on Monday by Mr. Nigel Lawson, Financial Secretary to the Treasury. It is understood that it wil ltake effect from yesterday.

Income of authorised unit trusts dealing only in UK fixed-interest securities will be taxed at 30 per cent rate of standard income tax.

This compares with 52 per cent rate of corporation tax until now.

Smaller unit trust groups bave been liable at the lower rate of 42 per cent, reduced to 40 per cent in the Buget.

The major significance of the concession for the unit trust movement is that funds specialising in management of gilt-edged securities become viable.

Unit trusts for many years have wanted to tap what they consider a widespread demand for this type of expertise.

"I think that over the years wc are going to sell a lot of units in this type of fund," Mr. Messer said. "This is certainly what has bappened in other countries where mutual funds bave been allowed to sell Government debt."

Until this week, individnals investing directly in gilts enjoyed two major advantages over thoe going through a unit trust fixed interest fund.

Those who hold gilts for a year and a day did not pay capital gains tax, whereas authorised unit trusts paid the tax at 10 per cent.

This obviously affected authorised glt funds buying aod selling within a year.

Secondly, while the income earned by unit trusts from gilts was taxed at 52 or 42 per cent individuals paid only at their own marginal rates of income tax.

The change announced by Mr. Lawson effectively brings income from fixed-interest securities (industrial debentures, local authority bonds, bank deposits, as well as gilts) into line with Ordinary shares.

An important point emphasised by the Inland Revenue is that tbe concession will apply only to funds which specialise exclusively in UK fixed interest secnrities. The gilt-edged income of trust portfolios which are, for example, partly weighted towards equities will continue to pay corporation tax.

Some unit trusts are disappointed and say that this may encourage unnecessary proliferation of new unit trusts.

A small number of fixed interest funds bave recently been launched in anticipation of the Government's latest concession.

Corporate sector fears

BY OUR ECONOMICS CORRESPONDENT

THE POSSIBLE Achilles heel of the Government's economic policy over the next 12 months is the extremely large load on the corporate sector, stockbrokers W. Greenwell argue in a new post-Budget monetary bulletin.

The firm, among the leading monetary commentators in the City, "warmly welcomes" the new medium-term financial strategy but criticises the size and type of public spending cuts.

In particular, the bulletia notes that capital expenditure bas been cut disproportionately. This will lead to a loss of orders for private industry while higher prices by nationalised industries and charges for public services may cause difficulties by directly increasing costs and by affecting wage demands.

The brokers suggest that if oil and oil-related activities are excluded, the financial deficit of the corporate sector as a proportion of Gross Domestic Product conld exceed the worst of 1974-75.

W. Greenwell recommend that the Government should bave yet another try at public spending cnts. Meanwbile, the authorities should aim at the upper limit of the target range for underlying monetary growth. They should be ready to let interest rates fall rapidly as soon as monetary growth becomes inadequate.

Construction output down by 2% last year

BY ANDREW TAYLOR

CONSTRUCTION output in Great Britain fell by 2 per cent last year, according to provisional figures issued by the Department of Environment.

The worst affected sector was pnblic bousing, where new work ontput fell by 17 per cent in 1979, reflecting further Government spending cuts on housing.

The public housing outlook is even bleaker this year. According to tbe recent expenditure white paper, total Government spending on bousing in 1980-81 is to fall from £5.37bn to £4.7bn at November, 1978 prices.

Private bousing output also feli by 7 per cent last year. Work on only 139,000 private homes was started in 1979, compared with 157,000 in 1978.

Public non-housing output also suffered last year as a result of continued spending cuts. New work output in this sector fell by 9 per cent in 1979.

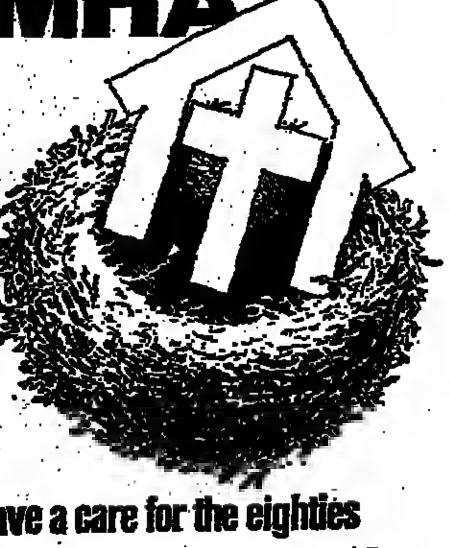
The only sector to show any improvement in new work last year was private iodustrial, where output rose by 1 per cent. Against this, new private commercial work fell by 3 per eent.

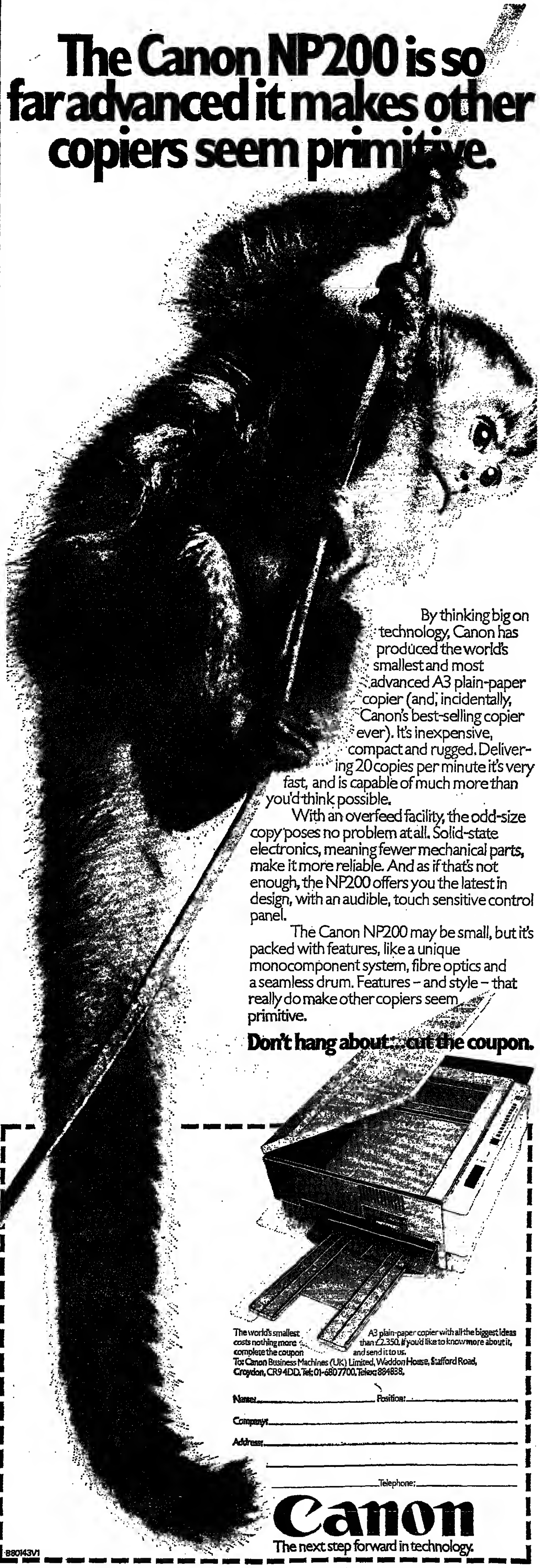
The biggest improvement came in bousing repair and maintenance, where output rose by 12 per cent. Public non-bousing repair maintenance was 1 per cent higher in 1979, and private non-housing repair and maintenance rose by 10 per cent.

INDICES OF CONSTRUCTION OUTPUT*

	1976	1977	1978	1979†
New housing	108.6	100.8	104.5	92.9
For public sector	110.6	100.6	94.6	78.8
For private sector	106.6	100.9	114.1	106.6
Other new work	95.4	96.6	99.1	94.3
For public sector	99.1	94.6	90.9	82.4
For private sector	91.6	98.7	107.5	106.5
For pirvate industrial	95.4	110.4	117.7	119.0
For private commercial	88.0	88.0	98.3	95.1
Total new work	100.4	98.2	101.2	93.8
Repair and maintenance	94.2	47.8	113.2	122.1
Housing	92.3	96.2	111.5	124.5
Public other work	94.7	95.4	106.8	108.1
Private other work	99.4	108.3	133.1	146.9
Total	98.5	98.1	104.8	102.3

* Output by contractors (including estimates of unrecorded output by small firms and self-employed workers) and output by public sector direct labour departments classified to construction in the 1968 Standard Industrial Classification. † Constant price figures have been revised in the light of more complete information on the movement of construction prices.





Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● PROCESSING

Economic metal spraying system

FLAME spraying, which is hasically the heat softening of fusible materials and their projection on to a prepared base material to form a surface coating, has advanced considerably over the past few years.

One of the latest processes, introduced by METCO and called the Type 2R system, utilises an electric arc to "melt" twin metal wires fed into a spray gun. Compressed air projects the resulting particlea as a well-defined spray stream.

The process is said to provide an economical alternative to the use of oxy/acetylene gases in applying sprayed metal coatings. The spray will huild np on a prepared surface to form a coating which can be "a few thon' or a few inches" in thickness.

Resulting coatings are tough, dense and applied at high spray rate per unit of energy consumed. This is due to the higher heat of an electric arc and the more efficient heat transfer to the metal being sprayed, compared with a combustion gas flame, it is stated.

These coatings are used to rebuild a worn surface or to add required characteristics to a different base material in production applications. Since virtually any metal can be sprayed, the range of applications is equally wide: from thin zinc coatings on plastic panels to heavy steel coatings to rebuild a badly worn steel mill roll.

Main feature of the new Type 2R system, says METCO, is the reduction in size and weight of the spray gun and its associated power supply, making it truly portahle. The equipment meets the need for a compact, yet reliable, arc system that can he taken on-site or easily manoeuvred in the confines of a small workshop.

Maximum power requirements are 6 kW, 3 phase supply which will give actual coverage of 770 sq ft of aluminium, 308 sq ft of bronze, 644 sq ft of babbit, 490 sq ft of alloy steels or 700 sq ft of zinc an hour per one thou' of coating thickness. No change to the gun is required when changing from one metal to another.

When an initial bond-coating is to be applied, a simple switch automatically adjusts arc and compressed air to preferred parameters. Starting and stopping the spray is controlled by a switch locally at the gun or by push-button at the remote control/power unit.

Full details of the equipment and information on specific applications is available from METCO at Chobham, Woking, Surrey (Byfleet 42168).

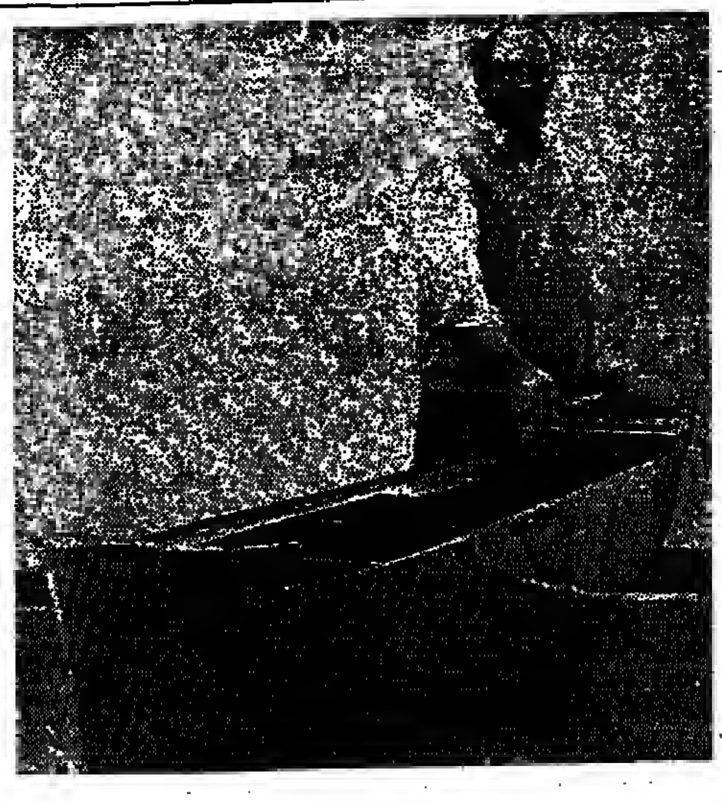
Spray-on concrete

JOINTLY DEVELOPED by Pozament Cement and Fairclough Tunnelling is a new factory-blended spray concrete called Bucshot offered as a method of improving, repairing and creating structures.

Precise production control has enabled a variety of mixtures to be produced for varying requirements, using basic ingredients of Portland cements, graded sand bases, and approved admixtures for high early strength, rapid set, improved adhesion and hond, as well as reducing dust emission and rebound.

Makers recommend the product for tunnel support systems, rock sealing and support, longwall packs and strata control, facing to diaphram walls and contiguous piles, dome, shell and barrel vault roof construction, air and fire control in mines, and construction of water-retaining structures.

Oven dried, to give consistent water/cement ratios, the material is available in bulk, or hagged in 25 kilo weatherproof sealed paper sacks.



Scale models of some of the world's biggest ships, for use in research to help reduce accidents at sea, are heing produced in glass reinforced plastie (GRP) by the Special Products Division of ConCargo of Highbridge, Somerset. The ships include a trawler, crane ship, and rectangular barge, as well as the 1/70 scale model of a general bulk cargo vessel of 28,000 tonnes (seen here). The 8 ft long hull is fitted with a number of transverse water-tight bulkheads in their correct positions and the compartments are fitted with flooding valves. The model ships are supplied to Armfield Technical Education Co. of Ringwood, Hampshire, to its designs for use with its stability dynamometers and tanks. The equipment is sold by Armfield to colleges and universities throughout the world for the laboratory study of ship hydrostatics and stability.

● DATA PROCESSING

Looks after business routines

NAME OF the latest business computer is FIBS, standing for "fully integrated business system" and the claim for it is that whatever entry or action takes place in one area of activity in the business will automatically be taken account of in all the others.

Thus for example, the system will antomatically reduce the raw materials file in a manufacturing concern and increase the finished goods stock file whenever a job is completed. It will calculate the atock and work in progress and post this automatically as closing stock to the nominal ledger.

The system covers customer's orders right through to the production of a balance eheet and a profit and loss account. In between, the software embraces sales, purchase and nominal ledgers, payroll, work in progress and stock management—all fully linked together. These are said to be 165 programs altogether.

Available from Fully Integrated Business Systems of Birmingham, the system is hased on a microcompnter with 64k of random access memory (expandable to 256k), dual diskette (315k characters each) visual display unit and printer. Up to 10 megabytes of hard disc can he connected.

The system is supplied with the services of a management consultant who will sit down with a company'a staff for four weeks to train them, at no extra cost. If

More from the company at 30, Spring Lane, Erdington, Birmingham, B24 9BX (021-382 8414).

● IN THE OFFICE

Even faster copies

USING INDIRECT electrographic technique with liquid toner, the two latest desk-top flat bed copying machines from Kalle Infotec can deal with original up to B4 size (257 by 364 mm) and can produce the first copy in four seconds, subsequently working at the rate of 30 copies/min. Paper is cassette fed.

Machines are designated 1701 and 1801, the latter having semi-automatic document feed in which the original is placed upon and removed from the platen automatically—one of the more time consuming chores of making copies. Both machines have a 1 to 99 copy selector, a two digit copy quantity display, recall and cancel keys, and an interrupt key which enables a long run of copying to be interrupted fo allow an alternative run to be made—someone with just a few copies to make—with automatic return to the original job.

A further version of this plain paper machine, the 1601, has fully automatic paper feed with a vertical 20 hin sorter on the output allowing 20 collated aets to he made.

More from 155 Gower Street, London WC1E 6BJ (01 388 7271).

● COMPONENTS

Fans in all shapes and sizes

INDUSTRIAL fans for virtually any application is the boast of Keith Blackman following the introduction of its Series 28 range.

It is stated that over 2,000 standard combinations are available in 23 diameters, 12 widths and eight types of impeller. There are also the options of single or double inlet, three classes of construction and various driving arrangements.

The company, a subsidiary of The General Electric Company, is manfacturing the fans at a new factory in Rugby. Details of the latest products can be ohtained from its head office: BRI, Boughton Road, Rugby, Warwicks CV21 1BU (0788 78416).

● SAFETY & SECURITY

Provides clean air

APPLICABLE wherever work has to he carried out in dust-laden surroundings are two personal protection devices from Martindale, a filtering facepiece respirator and a positive pressure unit that completely encloses the head.

The facepiece is disposable and has a performance better than that demanded by BS2091/A: it is 95 per cent efficient at filtering out particles down to 0.5 microns in diameter. Weighing less than half an ounce, the unit consists of filtering material made from electrostatically charged polypropylene sandwiched between outer layers of polyester fibre. It is moulded into a shape which ensures minimum leakage between the device and the face.

Available in a number of helmet, hlouse and facepiece forms, the positive pressure system is driven from a unit worn round the waist. This consists essentially of a DC motor driving a fan which draws air in at up to 180 litres/min through filters and delivers it through hose to the head area, where the positive pressure produced prevents any particle ingress from the surroundings.

The belt unit is powered from nickel cadmium batteries with a four-hour life (eight hours optionally available) and the total weight is under four pounds. Pre-filters remove coarse dust particles, prolonging the life of the main filters. These can be of standard type having an efficiency of 98 per cent against 0.5 microns, or high efficiency units which are 99.95 per cent efficient. Gas cartridge filters can also he supplied to give protection against fumes of low toxicity while still removing dust to the 95 per cent level.

Known as Mark 5 equipment, all the units in this range have the necessary British Standards approvals to BS4558 and are also approved by the Health and Safety Executive.

More from Martindale Protection, Neasden Lane, London NW10 1RN (01-450 8561).

Pneumatic level alarm

AN EARLY warning and high level alarm system to meet forthcoming European requirements where dangerous chemicals are moved on waterways has been developed by John Davis and Son (Derby).

The equipment operates by differentiating between the ambient pressure in the cargo tank and that exerted within a probe hy the cargo at predetermined depths of immersion. When a first, early warning level is reached a low frequency air horn sounds for three seconds and a visual indicator rotates to show that the tank is reaching danger level.

If no action is taken a second level is passed by the liquid and this has the effect of closing the tank input valve and stopping the flow. At the same time two air horns of different frequencies sound simultaneously.

Because of the dangerous nature of the cargo, the company has taken special steps in terms of safety. For example, there is no possibility of the fluid feeding back towards the equipment when the tank is full. In addition, extensive use is made of stainless steel.

More from the company at Alfreton Road, Derby DE2 4AB (0332 41671).

● METALWORKING

Programmes the bends

A WIDE variety of metal folding programs for material up to 9.5 mm (⅜ inch) can he keyed into a memory in the latest Keetona Hydroform machine yielding increased productivity, reduced handling and a reduction of work in progress.

Basic mechanics of the machine entails the descent of a stout blade across the width of the sheet, the latter heing pressed into a V-slot of adjustable included angle, to form the fold. The technique allows consecutive folds to form boxes with the use of a swan-neck section blade where necessary.

Latest machine, called Hydroform CNC, has an entry console from which most of the operations of the machine can he controlled. Sequence programming is achieved simply hy entering data on a keyboard, including material thickness, the angle of the bottom "V," the position of the backgauge against which the material is located and the top beam limits. The procedure is far simpler and more convenient than tape preparation.

A mode switch on the same panel allows data entry, manual operation for the bending angle, manual operation for the hackgauge position, continuous repeat for a particular fold, or repeat of a continuous cycle of folds held in the memory.

Once all the relevant data for a particular component has heen entered at the console or has been called np from its memory, the sheet to be formed is positioned manually to locate with the programmed backgauge position. The machine cycle is then initiated hy foot controlled switches. On completion of a bend the machine automatically resets to the parameters for the next fold for that component and the procedure is repeated.

Both bottom forming wings simultaneously sweep through an arc to form the material to a pre-set angle. The open height of the top beam can be pre-set to give sufficient clearance to allow the formed material to be re-positioned or withdrawn.

A block of data is held for each bend and up to 100 blocks can be stored, with block linking for complete components (up to 500 blocks optionally).

Keeton Sons and Co., Greenland Road, Sheffield S9 5HB (0742 449541)

Heating coils for China

WORK ON its largest ever order for heating and cooling coils has been started by Holyhead Engineering Co. of Bilston, W. Midlands.

Ahout 50 coils, totalling over one-third of a mile in length, are being manufactured in titanium, stainless steel and mild steel. They form part of a contract worth nearly £1m placed by Dowty Mining *Equipment* with Holyhead's fellow group member W. Canning Engineering for the supply of two automatic electroplating lines to the People's Republic of China.

The 1800 feet of coils, which are going into tanks also fabricated by Holyhead, will provide heating, cooling and agitation for various aolutions, swills and rinses used in the plating processes.

Titanium tube, 1 in outside diameter with ⅛-in wall, has been specified mainly for steam heating and water cooling of nickel solutions. The material has the high level of corrosion resistance required and its strength-to-weight ratio allows the use of thin wall tubing to give maximum heat transfer. The stainless steel and mild steel coils are for heating and agitation of other process liquids.

Threat of national docks strike to back Liverpool Port recedes

BY PAULINE CLARK, LABOUR STAFF

THE PROSPECTS of a national docks strike in support of the 12 day stoppage in the port of Liverpool appeared to have been averted last night after first indications of a steel strique settlement.

Dockers at a Transport and General Workers Union delegate conference yesterday morning gave almost unanimous backing to a national strike in support of Liverpool. But national union leaders later recommended locally negotiated settlement to the Merseyside dispute. After steel leaders accepted a 16 per cent settlement.

A mass meeting of Liverpool dockers will take place today. Local shop stewards will report on the delegate conference decision and the message from national union leaders that official support for blacking steel ceases with the setlement of the steel strike.

The TGWU made clear last night, however, that the strike in Liverpool over steel handling will remain officialy until a local solution is found.

Meetings between employers and local dockers' leaders in the past few days have failed to find a solution. The dispute is over 100 dockers who were told they would not be paid if they refused to finish loading a Russian ship with a steel consignment.

About 8,000 dockers and port workers went on strike in support of their colleagues, bringin gthe port to a standstill and leaving about 25 ships trapped in the docks.

Employers in Liverpool said no date had been set for a further meeting with strikers' leaders, but the weekend talks were regarded as "adjourned" rather than ended.

Earlier this week union leaders in Liverpool rejected the port employers' plea that the ban on handling steel cargoes should be lifted.

Civil servants seek details on pay offer

BY PHILIP BASSETT, LABOUR STAFF

CIVIL SERVICE union officials will press the Government today for details on how it intends to stage this year's pay offer to 600,000 white-collar civil servants, given increases for the main administrative grades of 18 to 19.8 per cent.

The two largest unions, the Civil and Public Services Association and the Society of Civil and Public Servants, who represent the bulk of administrative staff and led last year's damaging industrial action in the service, have now all but settled for this round.

The CPSA has only relatively minor points of negotiation to clear up, and the SCPS sent a circular to its members yesterday laying out the terms of the offer for its grades.

Details of the increases for the main administrative grades, more than 40 per cent of the total white-collar numbers, are set out below. The rises average 18¾ per cent.

The CPSA and SCPS executives are expected to approve the offer in the next week. The executive of the First Division Association is likely to agree to it today.

The new rates are the product of negotiations between the unions and the Civil Service Department, but it is not yet clear when staff will receive the full amounts.

General secretaries of all the unions involved instructed officials of the unions' umbrella body, the National Staff Side, yesterday to see department officials today to obtain details of how the Government proposes to stage the payment.

The unions hope to be in a position to consider the staging arrangements at the full staff side meeting tomorrow.

Support is growing in the unions for the CPSA idea of postponing the due settlement date from April 1 to June or July, in order that the increase be paid out in one amount.

Mr. Tony Christopher, general secretary of the Inland Revenue Staff Federation, whose grades follow the CPSA and SCPS on pay, also sees it as the best way round the unions' dislike of staging.

CIVIL SERVICE PAY

	Present maximum rate	New maximum rate	Cash increase	Percentage increase
	£	£	£	
Principal	11,750	14,000	2,250	19.1
Senior executive officer	8,900	10,500	1,600	17.9
Higher executive officer	7,250	8,555	1,305	18.0
Executive officer	5,700	6,745	1,045	18.3
Clerical officer	4,000	4,740	740	18.5
Clerical assistant	60.68	72.70	12.02	19.8

NHS unions to step up action over pay

BY PAULINE CLARK

HEALTH SERVICE union leaders yesterday requested an urgent meeting with Mr. Patrick Jenkin, Health Secretary, as plans were laid for the first major programme of industrial action by Britain's radiographers, physiotherapists and other para-medical staff.

NALGO, the National and Local Government Officers' Association, one of the leading unions representing the 37,000 health service staff, said selective one-week stoppages would start from April 28 over the findings of the recent Clegg commission on pay comparability for the group.

A joint decision by all unions representing the group had also been made to stage one-day strikes on April 10 and April 18. This follows a day of protest organised last Thursday by ASTMS, the Association of Scientific, Technical and Managerial Staffs which was strongly supported by radiographers.

Mr. Steve Johnson, NALGO's health service national officer, had asked Mr. Jenkin for a reconsideration of the commission's decision that a 15.4 per cent day increase should be tied to a 37½-hour week.

The problem mainly affects occupational therapists, physiotherapists and other groups currently on a 36-hour week, radiographers on a 35-hour week and speech therapists on a 33-hour week.

The union said there were health reasons for not increasing the radiographers' working week, while there would be practical difficulties for staff operating an appointments system.

A radiographer at the top of the pay scale would lose £450 a year under the proposals, a top rate physiotherapists £416 and a top rate speech therapist as much as £987, the union said.

Print craftsmen claim successes for campaign

BY OUR LABOUR STAFF

LEADERS OF the printing craftsmen's national industrial action claimed yesterday that some 1,300 general print and provincial newspaper companies had accepted a union proposal for an interim pay settlement against the advice of national employers' representatives.

The National Graphical Association said that as a result the companies, employing 10,500 of its members, 20 per cent of the workers involved, had been exempted from selectiv industrial action.

Th British Printing Industries Federation said last night that the number of its members that had yielded to the NGA's demands was under 50.

It added that the union appeade to haev inclluded non-federation companies and those whose local arrangement came near to the union's demands. The size of the companies, it said, appeared small, many with less than 10 NGA employees.

Action in support of an £80 minimum earnings level and a shorter working week from this month has hit companies represented by the Newspaper Society and the BPIF since last week.

The union sent its own proposals for an interim deal while the dispute over a national pay agreement continued but the employers' representatives have taken a firm stand over their £75 minimum earnings level offer and proposals for a 37½-hour week by 1982.

Backing for nuclear plan

BY ALAN PIKE, LABOUR CORRESPONDENT

THE Electrical Power Engineers Association yesterday cautiously approved the Government decision to build a pressurised water reactor power station.

The association's professional members have first-hand knowledge of the nuclear power industry.

However, the union's conference in Llandudno felt it would be wise for everyone to wait until the Nuclear Installations Inspectorate had issued a report on the safety case for a British pressurised water reactor before firm positions were taken up for or against such a station being constructed.

The pressurised water reactor was the system involved in the U.S. Harrisburg accident last year.

The union's executive is to review issues raised by the proposed development of a pressurised water reactor nuclear station and will report to next yar's conference. With these reservations, delegates welcomed Government backing for a steady ordering programme over the next 10 years.

G&MWU backs protest

THE executive of General and Municipal Workers' Union yesterday urged its members to stop work for a day as part of the TUC's day of action on May 14 in protest against Government policies. It wants stoppages for the whole day, or part of the day "where appropriate."

But any action must be subject to union procedure, involve union officials and be supported by members concerned, the executive said.

Safety and emergency services must be fully covered and, where possible, action must be taken alongside other unions at the place of work involved.

MONOPOLIES AND MERGERS COMMISSION REPORT ON LONDON POST

Business efficiency hit by delays

BY GARETH GRIFFITHS

PUBLIC CRITICISM of postal services in inner London was fully justified, a Monopolies and Mergers Commission report said yesterday. Business efficiency had been impaired by delay.

The commission recommends a modification of the Post Office monopoly. Special or express delivery services, offering same-day delivery of urgent letters or parcels should be legalised and encouraged, it says.

The price difference between first- and second-class stamps should be increased. About four-fifths of mail posted in inner London is business traffic, and the proportion of first-class mail nearly half the total. An increase in the cost of a first-class stamp would help mail in inner London, the report suggests.

Organisations should be allowed to take bulk letters and packets outside London and then transfer them to the national postal system. This would take strain off London sorting offices as the centre of the UK communications network.

Publication of the report follows a six-month Commission investigation after a marked deterioration in letter deliveries last summer. The report found that the service in the London WC and W postal districts was particularly bad, and that outward air mail was handled even more poorly than first-class inland mail.

Postal traffic in the inner London area averaged between 28m and 31m items per week in 1978-1979, a 30 per cent decline since 1967-1968. The Post Office forecasts a decline of 30-39 per cent on 1979 levels by 1988-1989. Letter traffic nationally has declined much more slowly.

The report says the decline in standards has impeded social and business communications far beyond Inner London, and was therefore against the public interest.

Government financial targets offer little control over Post Office services, the commission argues, because of the monopoly's power to put up prices. There was a need for additional performance targets, particularly on productivity.

Information in the Post Office annual report does not provide "an adequate basis for informed public debate." There is a need for better performance monitoring, the report says.

It suggests a timetable for the introduction of its proposed changes for the Government and corporation to act upon. Among its recommendations were the following:

● **Management:** The commission was scathing about the standard of Post Office management in London. Short-term considerations played too important a role in management strategy, with long-term policy for change constantly in danger of being over-ridden by short-term expedients.

Post Office management lacked expertise at all levels in key areas including accountancy, personnel and property management. The commission recommended direct recruitment of specialists into tha corporation, with a shift in the style of management.

● **Labour elations:** The Union of Post Office Workers is blamed for a predominantly negative attitude and influence. The UPW and the Post Office share responsibility for deterioration, according to the report.

The absence of a formal disputes procedure made services more vulnerable to disputes, and local unofficial deals had distorted collective bargaining over procedures at work.

● **Productivity:** Productivity in inner London fell by between 20 and 25 per cent between 1968 and 1979. New methods of measuring productivity should be introduced and a return to the 1968 levies achieved by 1983

Previous bonus schemes have failed, the commission argues, because they were not sufficiently geared to work related payments There should be a reduction in "excessive" levels of overtime worked in sorting offices. Part-time and casual labour should be employed to bring about changes in handling.

The recruitment of younger staff should be encouraged with a more flexible approach on shifts, to prevent junior staff always having the most unpleasant duties. Promotion to supervisory grades should be based more on merit and less on seniority, with union representatives associated in the process.

● **Mechanisation:** Plans for mechanised packet sorting, particularly in Inner London, are urgently needed. The Post Office embarked on mechanisation without fully recognising its implications.

There should be a greater commitment to research and development. Post Office vehicles should be updated and maintenance facilities improved.

● **Accountability:** The report is concerned at the lack of progress yielded by previous investigations into the postal service. The information given in the annual report is inadequate; consumer groups such as the Post Users' National Council should be consulted on the material to be included. Department of Industry and Treasury targets and monitoring do nothing to help improve productivity, because of their concern with financial targets.

Callaghan moves to halt conference

By Elinor Goodman, Lobby Staff

A MAJOR row looks like breaking out in the Labour Party over the proposed one-day conference to co-ordinate the fight against the Government's industrial policies.

An emergency meeting of Labour's national executive committee is to be held next Wednesday to reconsider the idea of a conference, which was agreed by the executive only last Wednesday by a vote of 22-1.

Mr. James Callaghan, the party leader, is apparently trying to kill off the idea of an emergency conference altogether on the ground that it could result in the party being rail-roaded into endorsing the policies of the Left. Instead, he is arguing that a national rally—which would have no power to formulate policy—would be more appropriate.

A number of the major unions are also opposed to the idea of a special conference. But Left-wingers on the executive will argue strongly that it must go ahead and that all Mr. Callaghan is trying to do is run away from the issues, in the hope that by the party's annual conference in October, the moderates will have increased their strength in the union delegations.

Some members of the executive had already pencilled in a date of May 31 for the conference.

When party officers met Mr. Callaghan yesterday he argued that this was far too soon.

The row could break the fragile peace which seemed to have settled over the party as its commission of inquiry into party structure began work.

Tapping tightly controlled Whitelaw tells House

BY IVOR OWEN

ASSURANCES BY Mr. William Whitelaw, the Home Secretary, that telephone tapping and the interception of mail "continues to be tightly controlled," seemed to satisfy most MPs in the Commons yesterday.

His announcement that a senior judge will be appointed to undertake a continuing independent check that the established purposes and procedures are observed in all cases where telephone conversations are montored or letters intercepted was given a general welcome.

But Mr. Anthony Wedgwood Benn (Lab. Bristol South East) challenged the Government's decision not to introduce legislation providing new statutory safaguards.

There was also a cry of disbelief from the Opposition benches when Mr. Whitelaw insisted that no MP's telephone had been tapped since the undertaking given by Sir Harold Wilson, when Prime Minister, in 1966.

Mr. Whitelaw told the House that the study of the implications of the judgment made by Sir Robert Megarry, in a case brought against the Metropolitan Police Commissioner in March of last year, had been completed.

The Government had alao made a thorough review of the procedures and conditiona which, since the report by Lord Birkett and a committee of Privy Counsellors in 1957, had been the basis on which telephone tapping and the interception of mail had been conducted.

The Home Secretary reported that over the years there had been minor changes of practice but in all essentials the principles and procedures laid down by the Birkett Report continued to be observed, including the fact that interception could take place only on the personal warrant of the Secretary of State.

The study, like the Birkett Report, had covered interception on behalf of the Police, Customs and Excise and the Security Service.

Mr. Whitelaw stated: "The interception of communications, whether by the opening and reading of letters, or by recording and listening to telephone telecommunications, is an interference with the freedom of the individual in a democratic society.

"Nonetheless, when carried out by the properly constituted authorities, it is justified if its aims and consequences help to protect the law-abiding citizen from the threats of crime and violence and the fabric of democracy from tha menaces of espionage, terrorism and subversion."

Mr. Whitelaw said he hoped that figures published in a White Paper would remove suspicions aroused by allegations that talephone tapping was now practised on a vastly wider scale than at the time when the Birkett Committee reported in 1957.

"There has been a modest overall increase in the total number of warrants signed and a change in the balance between telephone and letter interception which reflects the greatly increased use of the telephone since 1957.

"But, given the very considerable growth in serious crime, and in particular the development of the terrorist threat during the intervening years, I believe that the figures demonstrate that the use of interception continues lo be tightly conrolled."

Mr. Whitelaw recalled that Sir Robert Megarry had found that interception undertaken on behalf of the police under the warrant of the Secretary of State was not illegal. Therefore there was no need for legislation to make duly authorised interception lawful.

He assured the House that the judges' suggestion that consideration should be given to embodying the procedures and conditions governing the use of interception had been considered with great care.

Explaining why the Government had decided against legislation, he stressed that the interception of communications was, by definition, a practice that depended for its effectiveness and value upon being carried out in secret. It could not tharefore be subject to the normal processes of Parliamentary control.

Mr. Whitelaw pointed out that if the power to intercept were to be regulated by statute, then the courts would have power to inquiry into the matter and to do so, if not publicly, then at least in the presence of the complainant.

This must surely limit the use of interception as a tool of investigation.

The Home Secretary promised that Parliament would be informed of any findings of a general nature and of any changes that were made in the arrangements.

Richard Evans, Lobby Editor, writes: A Government White Paper published shortly before Mr. Whitelaw's statement disclosed that the number of warrants for post and telephone interception authorised by the Home Secretary has increased from 238 in 1958 to 436 last year, peaking at 561 in 1975. In Scotland they rose from three in 1967 to 56 last year.

The document makes it clear that the Government has no inteotioo of disclosing figures on tapping on a regular basis and "for obvious reasons of security" it was not sensible to give examples of the successful use of warrants.

"The interception of communications in Great Britain" SO. £1.

Industry faces 'hard year'

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

AN EXTREMELY gloomy picture of the short-term prospects for business and industry was painted last night by Sir Keith Joseph, the Industry Secretary, when he opened the last day of the Budget debate in the Commons.

But he finished his speech on a slightly more optimistic note when he declared: "Difficult conditions are on the way but the Budget offers a coherent framework for rational hope."

The Government's determination to stick to its programme of monetary continence meant a difficult year or more for the companies' sector.

"Present estimates all suggest the squeeze on liquidity could be broadly comparble in severity to that experienced in 1974-75," he warned.

Trading conditions in the short term would worsen and foreign competition would continue to be strong at home and overseas. Interest rates were unlikely to be substantially reduced for aome time.

"The result will be that profit margins—already dangerously low in real terms—will be squeezed, and many firms will face serious cash flow problems."

Manufacturing companies might he even worse hit than the generality. Many such companies were already cutting back on their investment and many would have to run down stocks thus creating difficulties in the companies which supplied them.

"With real profits so low, manufacturing companies will have very little, i fany, fat to cushion them from this year's difficult conditions."

Bluntly, he added: "Against this forecast, there is very little the Government can do to help. We cannot simply reflate the economy.

"Nor will interest rates come down until steps to bring money supply under control have had their full effect. Any other policy would defeat the very startegy which is essential for our recovey and economic viability."

Sir Keith said that the remedy lay in the hands of the companies who needed in their own interest to realise the situation facing them. In 1974-75 they had wokn up to the problems far to late, but there was greater awreness today. Nevertheless, there were still a large number of companies that did not recognise the cash squeeze that lay ahead.

Every board of directors should be looking at its cash flow forecast. These would often make distressing reading.

But Sir Keith also emphasised that there were some reasons for optimism in the present situation. Many companies were doing very well, and there was much expansion and many new starts. There was a very wel- firms and industries. We were very nearly creating as many new jobs as we were losing.

Mr. Denis Healey, Labour Shadow Chancellor, intervened to ask Sir Keith to clarify the Government's policy towards the Sterling exchange rate.

Sir Keith told him: "I recognise the exchange rate, like interest rates, responds to market supply and demand. We canont predict it and if we try to influence it we sacrifice all our other priorities.

"It would be idle for me to have a view about the optimum exchange rate since governments should not try and control the exchange rate. The exchange rate, to the extent to which it is relatively high, places a burden upon our competitiveness but reduces our inflation."

Continuing his advice to businessmen in current circumstances, Sir Keith said that managements must convince their work forces of the desperate need to contain unit labour costs. The survival of jobs and the survival of whole companies depended on being competitive in price and non-price terms.

No task was more important during coming months than increased understanding by the work force of being competitive and the lesson that had for wage bargaining and for keeping unit costs steady if not reduced.

Leading the Labour attack, Mr. John Silkin, Opposition industry spokesman, said that the Budget revealed the gulf thet now lay between the two major parties.

For the Government, the first priority was financial gain and the quantity of profit.

"The Budget paves the way for a massive and inexorable growth in unemployment."

The Government, he argued, did not consider this of prime importance. It was complacent about the destruction of Britain's basic industries.

"For the first time since the war, a Tory government is expressing what the Tories have always instinctively believed—that poverty and unemployment is a small price to pay provided the few can profit," he said.

Next year's unemployment would pass the 2m mark and these people would be out of work for years.

He accused the Government of neglecting the growing industrial difficulties in Scotland, South Wales and the north. It had shown a blinkered refusal to apply resources to the real needs of the people.

PM denies 'buying off' steel strike

BY IVOR OWEN

IN AN angry clash with Mr. Michael Foot, the Deputy Labour leader, in the Commons yesterday, the Prime Minister denied that the appointment of the Lever inquiry amounted to "buying off" the steel strike.

Amid Opposition cheers, Mr. Foot maintained that but for the Prime Minister, such an inquiry could have been appointed before Christmas and the strike averted.

"Your obstinacy in this matter has cost the country hundreds of millions of pounds," he declared.

The Prime Minister retorted that in Opposition Mr. Foot had only one reply to a strike —"and that is to buy it off."

This was a remedy, she added, which lasted only until the next strike.

Mr. Foot immediately countered by asking whether the Lever inquiry had been an exercise in buying off a strike.

The Prime Minister answered: "In fact this was arbitration."

Waving aside Labour jeers, Mrs. Thatcher contended that arbitration had been included in an agreement made with one of tha unions and could have been used many weeks earlier.

Arbitration had been refused even though the British Steel Corporation had been ready to accept it.

To further Labour cheers, Mr. Foot insisted: "You are the person who refused to have an inquiry. You are the person who blocked the door to any intervention.

"When are you going to take your responsibility in these matters?"

Mrs. Thatcher replied: "I must correct you. You know full well that that is not true."

She said it was known to the House that BSC would have been prepared to accept arbitration or mediation soma time ago. More time had been needed to secure the agreement of the unions.

When Mr. Foot shook his head the Prime Minister snapped: "You know that is so and that there is no point in persisting in your denial."

In earlier exchanges Mrs. Thatcher commented that one of the outstanding factors was the lack of support which the strikers had secured from their workers.

She hoped that there would be an early resumption of work so that BSC could recover some of the lost orders by producing steel of the right quality at the right time and at the right price.

CBI 'will monitor' Competition Bill

BY DAVID CHURCHILL, CONSUMER AFFAIRS CORRESPONDENT

WARNING that the Confederation of British Industry planned to closely monitor the effects of the Government's new Competition Bill was given yesterday by Sir John Methven, director general of the CBI.

Sir John told a special CBI conference on the implications of the new Bill, which is due to become law tomorrow that there were many unanswered questions about the new law because of the imprecise definition of exactly what business behaviour it was trying to curb.

The new legislation gives the Office of Fair Trading wide-ranging powers to investigate any anti-competitive practice which it believes may inhibit or distort trade. The OFT is then able to refer the company and its alleged anti-competitive practice to tha Monopolies and Mergers Commission for a special six month investigation to determine if tha practice ia against the public interest. The Trade Secretary then has extensive powers to forca the company to end its anti-competitive behaviour.

Sir John said yesterday that the CBI would ask any of its members involved with the OFT's investigations to report back on how the procedures operated. Based on this monitoring, the CBI would later discuss with the OFT any possible problems arising from the new law.

But Sir John also made clear that the CBI was not questioning the right of the Government to try to improve competition in industry. However, the CBI's view was that existing powers were sufficient to achieve this.

Sir John also warned of the "panopoly of powers" which would be invested in the director general of Fair Trading under the new law. The Competition Bill copies other legislation in giving the power to the director general rather than to the Office of Fair Trading as a whole. However, it is the OFT's officials who will actually carry out the investigations.

But Mr. Gordon Borrie, director general of Fair Trading, told the conference that he had "no intention of releasing, like some later-day Genghis Khan, a golden horde of officials to ravage British industry in an attempt to achive some meaningless target." He said the "investigation of anti-competitive practices is a new aod difficult area

Campaign to save energy

By Ray Dafter, Energy Editor

THE GOVERNMENT is increasing its budget on energy conservation advertising and publicity by £1m to £3.25m this year, Mr. John Moore, Parliamentary Under Secretary for Energy, said yesterday.

He was defending the Government's energy conservation strategy. Recent rumours that the Energy Department was about to minimise its information services were "entirely unfounded," he said.

● COUNCIL HOMES: Only a very small percentage of Southwark council tenants will be in a position to take advantage of the Government's council homes right to buy legislation, local councillors told MPs yesterday.

Councillors and housing officials from the London borough were giving evidence before a Commons select on council house sales. Mr. John O'Grady, leader of the Labour-controlled council, said that difficult technical and financial problems would arise ovr the sale of council flats and maisonettes in the borough.

Complaints on block grant plan

BY ROBIN PAULEY

THE GOVERNMENT is now touting around the local authorities looking for help to bale it out of the problams of the proposed new system of rate support grant, Mr. Roy Hattersley, Opposition Environment Spokesman, said yesterday.

Mr. Hattersley, in the standing committee considering the Local Government Planning and Land Bill, was objecting to the way the Government was handling the legislation.

He complained that members were being asked to vote on a clause authorising the introduction of the controversial new block grant system of rate support before the Government had even decided on how the plan would be operated.

"This is a phantom clause which will be passed because of the dumb acquiescence of the majority (that is Government side) although there is evary possibility that this clause will not be in the Act," he said.

The Government had asked the local authority associations for constructive amendments to the plan. They had already offered an alternative plan, which had been rejected, and had tabled a number of other amendments, aaid Mr. Hattersley.

The argument about the lack of substance of the most fundamental clause in the financial section of the Bill arose because of aome leaked documents which showed various possible alternative methods of operating the block grant scheme.

Mr. Hattersley complained that the committee was being asked to vote on a subject which the Government had not yet made up its mind about and before it had decided whether the leaked documents showing the alternative possibilities were also to he made available to members.

"We are discussing a blank page because the Government does not know what it wants," he said.

The Bill had been handled with "extraordinary incompetence" by the Government, which was now looking to local authorities to bale it out.

Mr. Hattersley challenged Mr. Tom King, Local Government Minister, to guarantee that the block grant clause, if approved, would not disappear to he replaced by a new government amendment at report stage in the Commons. At the end of the morning aession no such guarantee had been obtained.

The Government invited the Tory-controlled local authority associations—which have been united in their opposition to block grant—to suggest further amendments to provide safeguards against their fears about the implications of the scheme without altering the principle. So far, the associations have not tabled any more amendments through either Opposition or Government members of the committee.

At the same time, the unity of the associations is becoming strained. At a meeting to discuss further action against block grant last week, the Association of Metropolitan Authorities voted narrowly to replace a motion to maintain a united front in "opposing" the Bill with one saying a united front should be maintained in "securing appropriate amendments" to the Bill. For the first time since the introduction of the Bill, Tory and Labour members of the AMA were in disagreement.

Mr. King said it was a total distortion to describe the block grant clause as a phantom clause. There was no question of abandoning the principles; the offer of considering amendments concerned only the question of further safeguards to the feared implications of the system.

He said the problem of whether or not to release documents to the committee would be considered during the afternoon at a meeting with local authority officers, a comment which did not help to persuade the opposition that a vote in the morning was in order.

As the argument progressed the Government's hopes of completing the section of the Bill on rate support grant before Easter diminished.

FINANCIAL TIMES SURVEY

Wednesday April 2 1980

REPROGRAPHICS

The reprographics market is expected to grow during the next decade, with plain paper copiers taking a dominant share and duplicators in decline. The field is led by Xerox, which is holding its own against strong competition, especially from the Japanese.

Mature market forging ahead

By John Lloyd

THE COPIER market in advanced economies is a mature one. Though even now only one quarter of the nearly 1m offices in the UK possesses a copier, almost all medium and large bureaucracies do, and their effect and influence have become pervasive. The 1980s should see continuing growth in the copier market—at least in terms of value though no doubt accounts of the paperless office will continue to be given while the companies reap large rewards.

In unit terms the markets in many European countries may be expected to flatten and fall slightly as we approach the mid-1980s. However, there are movements within the copier market which show sharper rises and falls. In general, plain paper (indirect electrostatic) copiers will continue their growth in popularity, as will high speed copiers. By 1983, it is estimated that plain paper copiers will take 60 per cent of the market by value, and 75 per cent of the market by unit sales.

In coated paper, the older, wet toner technology is likely to continue its decline—from around 4 per cent of the market to around 1 per cent in 1983—while the dry toner type may hold on to its market more successfully.

What has been the effect of the growth in copier population which the charts show? In simple terms, it has been to increase the amount of routine documentation and information available to all: workers, managers and customers. The boldest statements on the effects of a wide diffusion of reprographic machines, especially plain paper copiers, have indicated that they have largely destroyed secrecy: a series of highly publicised investigations, many in the U.S., have drawn attention to the ease with which original documents may be copied in their entirety, and passed on to those for whom they were not originally intended.

Less dramatically, it might be said that the copier has pushed much information further down the line—partly "democratised" it, if you will—by making the circulation of information instantaneous rather than circular over time. The importance of the technique may be appreciated when compared with an earlier technology, the stencil duplicator.

The duplicator relies on the cutting of a stencil, which is then clamped on a drum and prints a number of copies by means of ink being forced through the cut stencil under pressure from a roller. While a large number of good quality copies could be made in this way (and still are), the key difference is that an original stencil must be cut: it is essentially a simplified, adapted printing technique, not a copying one. The step change represented by the copier is that it works from existing documents already printed or written: it does not require them to be reproduced, hence its attractiveness, its rapid growth and its increasing ubiquity.

The undisputed leader, both in terms of original and continuing technical innovation, and still in market share, is the Xerox Corporation of the U.S. and its overseas part-subsidiary, Rank Xerox (part-owned with the UK Rank Organisation). A short account of Xerox/Rank Xerox appears elsewhere in this survey. Here it should be noted that it has developed astonishingly rapidly since its courageous backing of the xerographic process after the war (in face of considerable scepticism) and has, in the 70s, begun to reap the problems of size—Government concern over its near-monopoly status on the one hand, and increasing competition, largely from Japanese manufacturers, on the other.

Still dropping

There are signs now that it has beaten back at least some of the competition which certainly hurt it in the mid-seventies, though its relative share of the market, at least in some products, will probably continue to drop.

The rest of the market is complex, with marketing companies selling — often under their own names—copiers made by manufacturers who also often sell under *their* names. In brief, the major Japanese manufacturers are now Ricoh—marketed by Savin in the U.S. and a number of companies elsewhere—Canon, Konishiroku (marketed by Mitsubishi and others), Copyer, Toshiba and Sharp. Other companies include IBM (a growing force, having entered the market in 1970), Agfa Gevaert and (though these two are strongest in duplicators). Gestetner and Roneo Vickers (recently acquired by the French company CIT Alcatel). Océ continues as a growing force, especially in the European market.

Other significant forces in the market with various types of reprographic equipment are A. B. Dick (now part of the UK General Electric Company's empire, though still based in the U.S.), 3M, Pitney Bowes, Kallé Infotec, Rex Rotary, and Eastman Kodak. It may be expected that the manufacture and marketing of copiers will continue to be a complex picture, as companies in the office equipment market seek to acquire a copier range to flesh out their systems strategy, without acquiring a manufacturing base.

FORECAST MARKETS FOR COPIERS IN EUROPE

Units

Product group	1978	1979	1980	1981	1982	1983
(Coated paper) Dual spectrum	6,210	5,310	4,580	3,880	3,220	2,490
Direct electro-static—wet toner	35,740	28,880	23,320	18,960	13,180	8,380
Direct electro-static—dry toner	12,860	15,260	18,800	22,600	24,640	25,790
Electrograpic	3,840	4,670	5,760	6,450	6,970	7,380
(Plain paper) Indirect electro-static—dry toner	115,530	125,050	133,100	137,390	138,120	136,990
Indirect electro-static—wet toner	15,620	21,760	28,040	32,960	35,970	38,010
High speed	7,000	7,910	9,340	10,450	11,560	12,350
Special	840	940	1,050	1,140	1,310	1,410
TOTAL	197,640	209,780	223,990	233,830	234,970	232,800

Source: Mackintosh Consultants

Determination

As the tale of Xerox/Rank Xerox shows, the market can be entered by companies with enough determination to survive. However, though the tale of Xerox is one of huge growth from small beginnings, most of those companies who can expect to stay in the market are already large, were large when they entered (IBM is the extreme example), or, if small, must confine themselves to a small part of the market, as specialist copiers.

The market is characterised by very aggressive pricing, both in terms of outright sale, and in leasing and renting. IBM, for instance, is reckoned to be willing to sustain losses on its low volume copiers for some years simply to gain market share: the Japanese are (as usual) also said to be employing the same tactics. The acquisition of a customer base is absolutely paramount in such an industry.

Further, only those companies which are large enough to acquire such a base can then offer a service network which can cope with the frequent breakdowns from which all copiers appear to suffer, and compete with Xerox/Rank Xerox's network.

"Competing" in this sense is relative: the network available to Xerox/Rank Xerox is unlikely to be matched in most countries: Rank Xerox UK managers like to point out that their sales and maintenance force is active in North Wales and the Highlands of Scotland where few of their competitors are to be seen, a classic case of a private corporation employing arguments generally used by public service corporations.

Still, it is in the large cities where the real business is, and there even comparatively small companies, or overseas companies with a small base, can compete and offer roughly equivalent service. It is likely, as we shall see later when we examine issues of new technology, that the progressive introduction of microelectronic technology into copiers will increase their reliability and cut down on the need for maintenance.

The greatest growth in the market has been, and continues to be, at the desk-top, low volume end of the market. Growth is greater here because it is the industry's way of expanding its type of customer, bringing in the small business/shop/small organisation. Here, coated paper copiers still have something of an edge on price and convenience, though that is eroding and as the organisation wishes to grow and possibly to produce more prestigious copies, it is likely to trade up to plain paper copiers.

Protection

Here, naturally, those companies with a range of coated and plain paper copiers will win out, since they can easily effect the customer's transition: thus many manufacturers are pro-protecting their coated paper range by taking on plain paper copiers. In coated paper, the development of the "dry toner" type some five years ago was a useful way of protecting their market share and offering their customers a relatively cheap, but better quality and more reliable copier. A further development, around the same time, was the electro-graphic or dielectric copier, which uses a cheaper form of coated paper and produces a copy close to plain paper types.

The weapons, then, are copy quality, speed, reliability and special features, coupled with size at the low end of the market. The techniques are now well known, and while Zerox still has the edge in innovation, it no longer has the monopoly or anything like it. Like that other U.S. high technology company (and its competitor) IBM it must keep a careful watch on its competitors (a rather more careful watch than IBM, since it lacks some of its advantages): but it is close to inconceivable that the company could lose its dominant position in the world market: it is expected to keep better than 60 per cent this year.

The concept of copiers in the developing world of office automation has stimulated much speculation, and again, Xerox/Rank Xerox is examining the possibilities. As a study by A. D. Little, the U.S. consultants, shows, it is likely that Xerox/Rank Xerox will be the only copying company which will develop an "office of the future" strategy using copiers as its starting point—though others, as for example GEC/A.B. Dick will have reprographic equipment as an important part of their armouriea (the acquisition of Roneo Vickers by CIT Alcatel is a case in point here).

Copying, it may be expected, will be increasingly integrated into text reproduction communication—though it is certain that stand-alone copiers, especially small ones, will be around for years yet.

CONTENTS

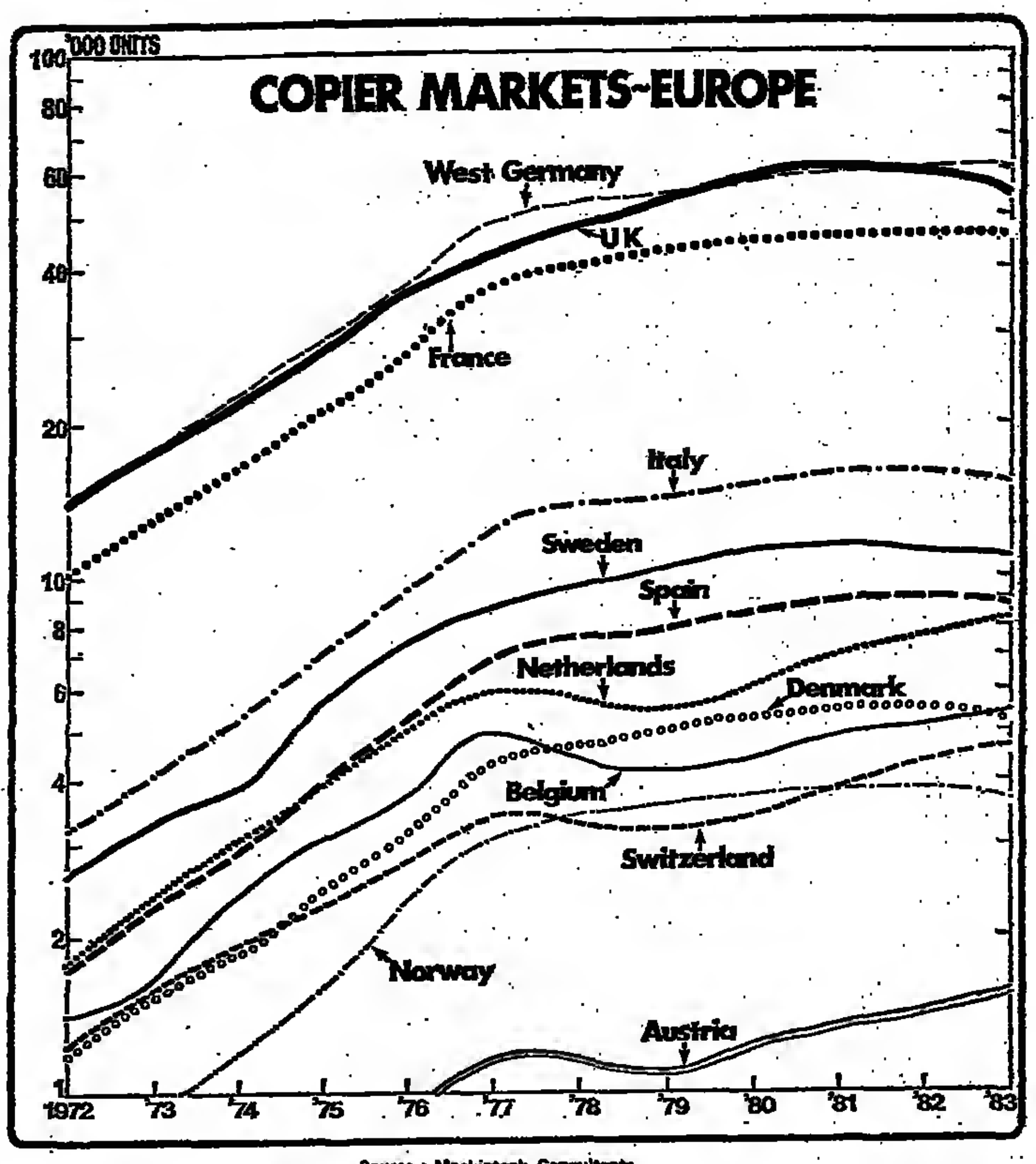
Manufacturers react to the office of the future

EVERY MAJOR electronic/office equipment company believes its strategy must be dictated, at least in part, by considerations generically known as "office of the future," or "office automation." What is it, what does it mean for the copier and its industry and should we take it seriously?

The office of the future may be defined thus: it is the assumption that much clerical and maoagerial work, which is largely concerned with transmitting or enhancing information, will be in future digitally encoded on keyboards, stored on computer files, transmitted through phone lines from terminal to terminal and viawed on telescreens, or printed on high-speed printers.

Thns the present day typewriters, whether mannal, electric or electronic, will be progressively replaced hy telescreens and keyboards and word processors, while paper will be replaced (In time, it is assumed—a long time) by electronic digits and filing cabinets and files hy computer memories. In an even longer time, voice recognition techniques will be developed enough to allow the development of machines which will receive dictation then transcribe it into text, or store it.

In sbort, office automation is the same process as occurred in the industrial sphere—and is still occurring, in little-regarded waves. *Plant automation* was placing at industrial workers' disposal large amounts of capital equipment which raised their productivity immensely. They routinely use machinery worth thousands, at times millions of pounds. Office workers, hy contrast, are usually entrusted with machinery worth little more than £100.



Source: Mackintosh Consultants.

This capitalisation of the office worker means that the hig companies who wish to address the market, and the smaller ones who wish to claim a modest slice of it, must think hard about their future strategy. For the larger ones, it almost always means acquiring expertise and businesses in areas where they have previously heen weak, or simply absent, to be able to offer their customers complete systems, or at least to protect their prime products.

Big expansion

So IBM, tha computer manufacturer, has expanded greatly into telecommunications: so ITT, the telecommunications manufacturer (among other things) has taken on enormous computer expertise to make—not computers—but computerised equipment, like computerised office switchboards. Thus the General Electric Company (GEC) has acquired the U.S. reprograpbics company A. B. Dick to give it strengths it largely lacked: thus Philips, the Dutch electronics giant, has reorganised its four British compaoies into one Business Systems Division.

A recent A. D. Little study, "Tbe Emergent Real World of Office Automation," describes the phenomenon thus: "The traditiooal office products . . . relate to the functional needs of an office, but typically are not systems oriented. Successful office automation products must bleod functional product capabilities with information systems technology to achieve a result acceptable to office personoel. For each of the classes of mannfacturer, this obviously leada to new approaches for product design, manufacture and service, as well as for marketing, sales and customer support . . . it is also apparent to us that, given the dynamic nature of the products and the conromitant needs for appropriate marketing and customer service skills, the early 1980s will be a period of high acquisition and merger activity."

The study goes on to assess which of the major office equipment manufacturers are likely to evolve a comprehensive product line, and thus become a truly "office systems" company. In a list of U.S.-based office products manufacturers (as distinct from data processing companies, wblch the consultants believe have an edge on other companies in the race), the report comments that "only Xerox has the basis for a future full office automation product line"—though the remark probably underestimates the potential of ITT and of A. B. Dick now that it is part of GEC: while Exxon has the financial muscle to attempt, though not necessarily succeed in, almost anything.

Its recent reorganisation has been largely made with the office of the future in mind. Like all companies who are facing *this tantalisingly* non-existent market, it cannot be predicted how it will succeed. It may be noted, however, that like ITT, and the medium sized computer companies, Xerox/*Rank Xerox is progressively* being drawn into combat with IBM, which will he fighting on a number of fronts from a position of considerahle strength.

The intelligent copier, now *just appearing* on the market, is assumed to be the prime product of the ropier manufacturers for the new world, hecause of the plunging of memory and processing costs, the lower cost *availability* of *communications* networks and the push from suppliers. However, though suppliers—like Wang and IBM, as well as Xerox/Rank Xerox—have been quick to point up its function as a Trojan borse breaching the walls of tha office of the future, its acceptance and its linkage into systems depend on a variety of elements, mostly to do with office workers, about which company executives spend time worrying.

The phrase—"the technology is here, hut attitudes will take a long time to change" hids fair to be the industry cliché of the decade. Companies comfort tbemselves with reminders that technology usually moves faster than predicted, bnt no-one really knows.

In a paper on office automation delivered to tha 1979 conference of the Industrial Market Research Organisation at Wadham College, Oxford, John King *director of the office electronics* division of Mackintosh Consultants, separates out four stages in the development of "full" office automation: the stages of initiation, expansion, formalisation and *maturity.*

Initiation, says Mr. King, is the stage wben the user sees the benefits of new systems and hegins to acquire it: expansion is obviously the period when, after *initial suspicion*, the systems are accepted and extended; the period of formalisation sees "a growing awareness of tha possibilities inherent in automating the presently *discrete tasks . . . whereas* during the first two pbases, the equipment was only applied to tha routine and mostly structured activities, during the third pbase the concept and capa*bilities appropriate to mechanis*ing and partially automating the less-structured activities will be realised."

Delegation

The final phase is that in which "managers at all levels of the organisation will have the opportunity to delegate aspects of their work, not to subordinates, bnt to automated systems." In this phase "further increases in expenditure will be justified more by the changing circumstances of the user organisation than the ongoing rush of systems development."

Mr. King believes that the UK is presently in the first, or initiatory phase of office automation, while the U.S. is in the second, expansionary period.

For the UK, he predicts that phase two will begin this year and become widespread in three or four years; phase three ahould begin by the mid 1980s and become widespread by 1987. "By that date the first automated systems should hegin to appear, but their general use is not foreseen until perhaps *1992, owing to the very signific*ant investments of effort needed for their generation. It follows that there will be between 12 and 15 years of evolution before the full effects of office automa*tion will be felt.*"

This perspective, and others which hroadly agree with it, points up some of the inherent problems. Rank Xerox executives who increasingly study these problems tend to sum them up like this: there are comparatively few problems with the technology; it can be designed and manufactured, with some effort and cost. But the market place is not yet ready for it. Business users are *not* like individual consumers—they are comparatively slow to react, and conservative. The electronic paperless office has not *happened, or even started to* happen, and a lot of people are cynical.

Most people given the choice still prefer hard copy to telescreens. At the same time, the *telecommunication networks in* Europe pose, or may pose, certain prohlems hecause they may be slow to adapt. There are two possibilities for the office of the future—management imposing it from the top down, by fiat; or bringing it in from the bottom np. Xerox/Rank Xerox presently prefers the latter.

That summarised view shows, first, the emerging opinion in *the industry that total systems* will not be parachnted in to most offices; and second, that all companies tend to stress their areas of strength.

For Xerox/Rank Xerox, its strength *remains copiers, still* between 70 and 80 per cent of its sales. Copiers do "come in from the bottom up"—junior staff are much more likely to use them than senior staff, and they require no specialist training. So is it not an ideal piece of equipment for the demotic approach to office automation? That appears to be the helief: the next decade should test it.

John Lloyd

The chip is only half the story

TECHNICAL innovation in the electronics field — in which copiers fall—has tended to be seen in recent years in terms of how many microprocessors are being used to hest effect. Microelectronic technology is indeed crucial to developments in the reprographics sector, though here as elsewhere, many less dramatic iooovations are equally importaot.

To deal, however, with tha chip first: its iotroduction into copiers since the mid-1970s has had, and is still baving, the general effect or simplifying the machioes for the user. Its replacemeot of hard wiring and electro-mechanical controls means added reliability and ease of replacemeot.

More obviously, it has allowed the advanced, aod usually larger machioes, to inrorporate diagnostic displays. These displays show the user when there is a fault, and what it is. In many cases, he can remedy it bimself, while in others be is able to inform the service engineer of what it is before he visits. For the engioeer, tha more sophisticated machines allow him to treat the faults more quickly and efficiantly.

The net effect is, or should he, a sharp rednction in mainteoance costs, which are rising rapidly.

The introduction of logic into copiers take us a stage further, which is explored in an accompanying article in this survey on the intelligent copier. Briefly, the poteatial it suggests is of allowing the copier to be taken into a communications/computer network.

At the other end of the scale, the chip has been introduced into low voluma copiers—the U.S. company Nashua is soon to unveil one such—and even into stencil duplicators.

Effect of dust

In the less dramatic areas, work on replacing the selenium drum, which is used as a photoconductor, with a seamless belt has meant the introduction of large, high volume machines with significantly higber speeds. Xerox, which pioneered the process, does not yet regard it as one which should necessarily be pervasiva throughout its range, though it may in time.

Even less obviously, a good deal of research still proceeds *into* paper, both coated and the more popular plain paper. Plain paper may be thonght to be simply that—plain paper: hut when it is heated to accept the electrostatic charges, and especially when it is *printed* on both sides, some care must be taken to ensure that the paper used will make a good copy. Certain papers, for example, produce a high degree of dust, *which in turn affects* the workings of the machine.

A major innovation in the copying process itself, though one which now has a decade of development and indeed marketing *behind it, is* colour copying. The U.S. company 3M was the innovator here, displaying a machine in 1968. Xerox followed in 1973, in which year 3M unveiled a second model. Two years later, the Japanese company Mita came into the market as well.

The copies so far hrought out have not offered full colour: they have worked with three *toner colours, necessitating* a three-fold printing process. They are thus inherently large and inherently slow, and it was envisaged that they would take the *place of the standard* rapid or desk top copiers.

Recession

However, their introduction on the market, especially by Xerox/Rank Xerox in the mid 1970s, co-incided with a recession, and the sales have been disappointing. Rank Xerox has sold some to customers — inevitably large businesses — hut now largely places them in its own copy bureaux, where they enjoy some success. The general marketing of these machines is seen as slow for some years yet.

Still, their main selling point — enhancement of documents, and the ability to pick out certain features in a different colour—may recommend itself to larger *companies* more *in* the 1980s, as they seek to gain an edge on each other in prestige presentation. At the same time, further refinements in the colour process may mean a wider *range of colour* available.

J.L.

Plain paper copiers forge ahead

THE EXPANSION that swept over the market in the 1960s will be even more dramatic by 1985, with plain paper copiers (PPC) continuing to expand rapidly and the market under intense competitive pressure, particularly from Japanese manufacturers.

At the low-to-medium end it is a dynamic and rapidly changing scene and Rank-Xerox says that the price level will go down in real terms through the productivity improvements to be gained from the technical services area and systems. Because price movements in the industry have not been recovering inflation, some observers say that the price of PPCs has declined and the cost per copy will halve yet again in less than a decade, but Cannon predicts that copy charges will rise as the cost of labour continues to escalate.

While the price of a machine will continue to go down for a given specification, to ensure marketability the equipment will have to become more reliable to give better value for money. Nick Nicholson, international regional director of Rank-Xerox, says: "We are not increasing our prices in line with the rates of inflation, which forces us to drive very hard at the productivity end." At the top end, the customer is more interested in features value rather than pure cost and that may mean a rise in the industrial price level.

Pent-up demand

Greatest growth is in PPC machines below 4,000 copies a month and the pent-up demand for low-volume users makes these machines inexpensive compared with prices five years ago—a calamitous event for stencil, coated paper and offset printing. There is a tendency towards a price increase in the coated paper market, while PPC prices in the upmarket faster machine will remain fairly stable. There is still a market for the small users' individual activities, using simple, less expensive coated paper machines but, within the next year or two, PPC could match coated paper in prices, due to the increased volume in production, making coated paper copiers of the past as good as dead. However, the man who needs only 10 or 20 copies a week and for whom these copies are essential, will find it highly cost effective to use a coated paper copier which he can now buy from Rymans for around £50.

The stencil market is under a certain amount of pressure and there has been a shift in the kind of user for the stencil process but, because of the low cost, the process continues to be in use for the 200 to 1,000 run, although not as fast and clean as PPC which eats into this market.

Gestetner has advanced plans for additional machines to strengthen its present products for a full coverage of the copier market up to the medium volume range. "Despite the spread of PPCs the stencil process still has an important part to play," says Michael Maynard, research director of Gestetner. "Indeed, we have just launched a new model, with electronically controlled features and automatic operation, which has been very well accepted, particularly in the technologically advanced countries in which it has been introduced." Gestetner state that the offset process is little affected by PPCs because it serves generally the high quality printing requirements for offices and in-plant printing and therefore continues to expand.

Growth in the volume of PPCs made in Europe is now estimated at around 13 per cent and it is predicted to pick up again and touch 20 per cent in some years. Looking at predictions for 1985, total PPC machines will score an 88 per cent growth in demand as against a real decline in coated paper. There is little evidence of real change in high speed xerographic copiers which continue their consistent growth but Kodak's Ektaprint 150 in the U.S. is beginning to obtain a degree of penetration into this market.

The total reprographics market over the last three years has grown at around double the rate of the growth of GNP and Xerox expects it will continue to outgrow GNP in all Western countries. "The PPC sector has consistently over the past 10 to 20 years outperformed the rate of growth of the reprographics market as a whole by factors of around three times the rate, six times GNP," says Mr. Nicholson.

It all goes back to the early 60s when Xerox created a whole new sector in the industry, until Japanese competition slashed deeply into the lower end of the market to make a sizeable dent. This increased the size of the total marketplace significantly and vendors who saw a large step-up in PPC expenditure are estatic because there is plenty of money for everyone in the low volume to middle end market.

"It is somewhat false to say that Rank-Xerox is losing here or gaining there, because I think you have to look at the totality of whet is happening to the reprographics industry and what is happening to Xerox as part of that," says Mr. Nicholson, who clearly sees the intense competition at the low to medium end of the market as a result of a significant increase over recent years in the rate of process transfer, particularly zinc oxide.

Ahead of U.S.

The Japanese, who have not been slow to plunge into this market place, say they are expanding faster in the low to medium range of copiers than the American competition. Their key to photocopying profitability is in terms of volume units and the lash has already been felt in the low volume range where Cannon, Ricoh, Toshiba, Sharp, Mitsubishi and Minolta, with offices in Europe and the UK, hope to secure a large marketplace.

The strength of Xerox has been its ability to out-innovate other manufacturers and to take its wide range of products into competition with other reprographic methods. Its primary thrust will be in the confidence it gives its broad range of customers and its ability to innovate the features value offered. Last year alone it published its R and D spending as $376m.

Mr. Nicholson sees the launch of products like the 2202, 2300 and 2600, and the 2080 engineering drawing, a Fuji-Xerox product, as a first step to secure further competitive offers, where Xerox will continue to make a significant number of placements with the 660 small desk copier which still has a ready demand. Still the established leader with more installed equipment than anyone else, it holds the largest proportion of actual copies made.

Looking at the other side of the coin, where over half the copies produced in the marketplace occur in the 50,000-plus establishiments, and emphasising the success of the 9200 and 9400 which offer a genuine process transfer to offset, Mr. Nicholson says: "You will need a lot of copiers at the low end doing one to 3,000 copies a month to produce the same share of copy volume as the 9200 and 9400, which produce on average more than 100,000 copies a month."

High speed copiers, previously overshadowed by stencil and offset now suffering process transfer by the Xerox 9700 electronic printing system, the IBM 6670 and Wang office information system in the U.S., and here in the UK with the Xerox 9200 and 9400, is another area of healthy expansion said to be growing at at the rate of 11 per cent.

The number of total net installations a year is remaining relatively constant. Companies like Sharp, Cannon, Ricoh, Mitsubishi, Minolta and Toshiba have eroded the low-to-medium volume installations, while only IBM and Kodak in the U.S., have begun to make any impact on the high volume market.

Although its share in the low volume PPC market has fallen over the last five years, Xerox claims it will recover some of its lost share from sales of the 2300, 2600 and to some degree the 3100 in its lower copy volume installations. Its eventual market posision will depend on what other competitors like IBM, Cannon, Ricoh, OCE, Mitsubishi and Agfa, which is also broadening its range, are doing in this market. Gestetner which recently launched the 2010 is confident it will acquire a large share of the low-to-medium business and claims it is the only British company developing and manufacturing photoconductors in the UK.

Mr. Nicholson of Rank-Xerox, who will never discuss market share percentage figures says the company has improved sales and is looking at the idea of a retail facility.

Suppliers are concerned about managing their growth and providing high-level customer support. Olivetti has designed a marketing plan that meshes in with its long-range strategy to exploit new opportunities, 3M says it is getting more active in the higher throughput bands with a range of machines using fibre optics, while Nashua claims the very key to its success is the stability and high level of service from its nationwide agents network. One in three of all Rank-Xerox employees are in technical service and distribution and the company believes that with computer aided systems it can improve the speed and efficiency of its service engineers.

The impact of the Japanese is overshadowed by the fact that in the past they have had to sell through their distributor network and this has had its limitation. Companies like Sharp and Ricoh, with a greater awareness of these problems, are adopting a more expansive approach and have reorganised their sales force to provide balanced services to their European customers. There is a trend towards manufacture in the United States by companies like Nashua which, for the first time, is going to manufacture its own copiers. Previously it marketed copiers made in Japan by Ricoh.

Xerox does not see an immediate future for its colour copier 6500 aimed at the highly specialised commercial marketplace. "We have a limited number in the UK and we don't really see a market worldwide," says Mr. Nicholson. "In fact one of the ironies of life is that probably through the very success of the original xerographic technology, we have in offices made it a black and white world!" Ricoh is testing a prototype colour copier to be launched at the Hanover Fair this year.

Investment growing

Capital investment in office automation is growing and while all this is underway, we can clearly see the beginning of yet another movement where there is a trend towards intelligent copiers, in reality printers using advanced printer technology, coupled with laser imaging. At the moment there are only three on the U.S. market—Verox 9700, IBM 6670 and Wang; although other companies like Cannon and Ricoh have announced products which have yet to hit the marketplace. The interesting future issue is the integration of the Xerox 860 page display soft load (PDS) text editing typewriter and copiers/duplicators. "The issue is not can you do it technically, but is it marketable, is it economical in the office to do it, and the answer is no, not in its totally sophisticated form," says Rank-Xerox.

If there are product opportunies that can be economic and bring a return to satisfy a marketplace need in volume in the middle and lower end, then there is no doubt that Xerox, IBM and some of the other manufacturers have the capacity and the investment to put products in that area.

Some close observers say that the much forecast appearance of Kodak in the European market is not likely to occur this year, but Rank-Xerox expects it to operate in Europe by 1981 or earlier. Many feel there is no place as yet for Kodak in the U.K. in the next couple of years and some predict that West Germany is the only market where there is likely to be some immediate demand.

The volatile PPC market is growing fast and it would be surprising if experienced high volume high technology manufacturers such as the Land Corporation (Polaroid) did not enter the field. Looking ahead, there are clear-cut signs that the automated office of the future will not be paperless because as the manufacturers say: "There are no problems, only opportunities and challenges."

Marlene Brown

The Xerox 2300 desk-top copier being assembled at the company's plant in Lydney, Gloucestershire, a satellite of the Rank-Xerox factory at Mitcheldean, which employs more than 4,000 people. Below: the Roneo Vickers DB1010 plain-paper copier in use

Intelligent copiers ring changes

THE COPIER is a high tecbnology product: like the computer, it has been one since its introduction. Like the computer, too, it is progressively reaping the advantages of microelectronic and other—largely laser and fibre-optic—technology to extend its capabilities.

Most major manufacturers are now using the microprocessor for twn things: first, to replace some of the electromechanical controls in the copiers to improve speed and reliability, and to add features: and second, tn produce diagnostie displays which allow the user to learn immediately the nature of any faults, and thus to cut down on repair time.

At the same time, improveements in more conveotional technology have also contributed to higher speeds, better quality and hetter mechanical reliahility. The Japanesa introductioo of a liquid toner machine brougbt prices down and made operations easier for the user: while Xerox's introduction of a seamless belt used as a photoconductor, in place of the earlier selenium drum, coupled with a new process to fuse toner to paper virtually at once, meant—in the 9200 and then io the 9400 machines—that it produced mucb more rapid and reliable copiers than before.

This work on the various competitive parameters—speed, reliability of machine, quality of copy, ease of operation and noise levels—will continue, and may be expected to quicken as tha potential of the technology is more fully understood and explored.

However, much attention has been given in the past 12 months to a potentially more far-reaching innovation in the copier market, one which fuses conventional copier technology with advances in microelectronics and with communications developments. The results now on the market from a number of companies, is the intelligent copier/printer, or ICP.

Just as important

Where communications companies sea the computerised switchboard as their stride into tha automated office, and computer companies make similar claims for distrihuted data processing, the manufacturers of intelligent copiers (two of whom at least are primarily computer manufacturers: the technology is converging with a vengeance), see the ICP as at least as important.

So what is it? In hrief, it is a copier which will reproduce, in printed form, information fed into an electronic form from computers, telecommunications networks or word processors. Mackintosh Consultants describes it thus: "The intelligent copier is not simply a photocopier with a built-in microprocessor to provide automatic control of copy quality and a diagnostic display, as has been seen in recent announcements.

"It certainly has at least one huilt-in microprocessor, but the aspect which most characterises this product is that in addition to manual photocopying, it may receive images by line. From this simple additional facility springs a host of potential advantages which, although not new io office mechanisation generally, are certainly new in a single product, and which wera previously nnly obtainahle on more expensive equipment."

The important point here is that a singla product now combines a number of functions previously discrete. Like most step changes in technology in this area, tha ICP crosses boundaries in an insouciant fashion, and its adoption demands different approaches to work and office organisation.

It touches nn the technologies of copying, telecommunications, computing and computer printing, word processing and typesetting. Most of these, in their turn, have been or are heing transformed by the progressive adoption of hullt-in logic in the shape of microprocessnrs.

The ICP Is an excellent illustration of the snowball effect of microelectronic technology: no sooner is one new boundary-crossing product created—as tha word processor—then it itself is invaded by another iconoclastic techniqne, intent on creating a market.

How does it work? Briefly, the ICP uses the same sort of xerographic process as currently used hy more conventional machines. However, since the image accepted in ICPs is in electronic rather than hard copy form, the exposure technique is quite different. Using a high speed light source, as a laser, the electronic input is scanned and interpreted: the light source then projects its interpreted message on to tha photoconductor to produce a latent, static image.

Built from dots

The "ons and offs" of the light source create dots on the photocondnctor, which are then built up into characters, and then printed. The "resolution factor"—the numher of dots per square inch—is a major, hut not the only, determinant of quality of the finished product.

There are three major systems currently availahle: Wang's Image Printer, IBM's 6670 Information Distributor and the Xerox 9700 Electronic Printing System.

Wang, which made its rapidly-acquired reputation and size through concentration on the word processor market, was first in this sector in late 1978. IBM followed three months later, while th e9700 came aloog later in 1979. Mr. Thomas Holmes, managing editor of the office automation group at Datapro Research Corporation, sums up the three systems in the February issue of Datamation:

Wang Image Printer—"The unit has limited intelligence but provides excellent quality output for both word processing and data processing applications."

IBM 6670: "The most impressive of the currently available units for word processing applications possesses intelligence for stored formats, communications, copy manipulation and the merging of input from various sources."

Xerox 9700: "The most powerful of the three products is priced high and considered to he a data processing service, though a recently announced option allows the Xerox 850 word processor to communicate with the 9700."

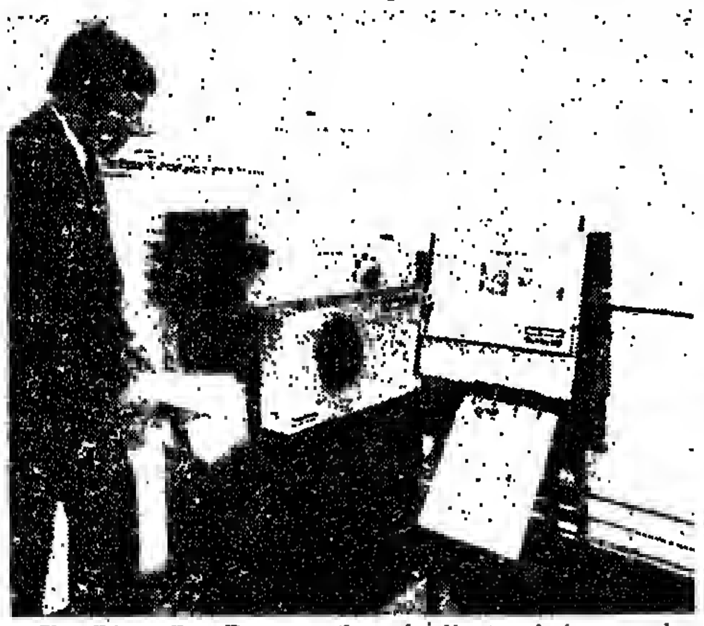
The accompanying diagram shows, in customarily optimistic mode, what an ICP could do. However, unlika such other sketches, it has arrived with roughly the above capacity. The heart of the matter here is not preparing for its arrival, but discovering how hest to use it now it has come.

J.L.

LEADING U.S. OFFICE PRODUCTS MANUFACTURERS BY EQUIPMENT	Office Products								Office Automation				
	Typewriters	Copiers	Dictating Equipment	Facsimile	Telephone Products	Calculators,	Accounting Machines,	Micrographics	Word Processing	Intelligent Copier/Printer	Telephone Systems	PABX	Electronic Mail
Comprehensive Product Line													
Xerox	●	●		●			●		●	●			●
Litton	●			●			●					●	
Reprographics													
3M		●		●			●		●				
A-M International		●					●		●				
Eastman Kodak		●					●						
Bell & Howell		●					●					●	
A.B. Dick		●					●		●				
Communications													
Exxon				●									
ITT												●	
Pitney-Bowes/Dictaphone		●	●										
Harris				●									
Calculation/Text Handling													
Exxon									●				
Lanier			●						●				
Savin		●							●				

Source: A. D. Little

Duplicators hold firm in some markets



The Ricos Rex-Rotary offset duplicator being used in conjunction with an electrostatic platemaker for in-house print work

IT IS a cliché of the industry that the duplicator market is in decline. Like many clicbes, it Is based on fact, but must be qualified.

In the advanced economies of the U.S., Japan and Europe, the duplicator is slowly losing grouod to the copier, the more so as desk top copiers move in to smaller businesses. The inhereot advantages of ease of operation and the ability to copy original documents usually outweigh the duplicator's lower price per copy.

However, there are some sectors within these economies wbere duplicators are more or less holding their own. Some small businesses still prefer duplicators, since they make little use of original documents: while Government, and more especially educational, establishments which originate a large numher of circulars for staff or pupils, still regard duplicators as the most convenient and cheapest form of transmitting written information.

Naturally, at a time of economies, such markets are vulnerable, but there Is a twofold effect here. Some form of duplication/copying is regarded as esseotial, and while the old duplicator may be retained longer because of cuts, there will be less ability to trade up to a more expensive copier when a purchase must be made.

Further, in the developing countries the comparative lack of an advanced telecommunications infrastructure nsually limits electronic equipment to large company offices and Government. The duplicator can thus continne to be assured of markets for some years.

The slowness of the market decline, and the still considarable areas where there is growth or stability, means that the product is very far from heing consigned to the dustbin. However, those companies who continue to locate a major part of their activities In the duplicator market must oring in changes. The trend of their activity is illustrated well with reference to three major companies in the field: Gestetner and Roneo Vickers of the UK, and A. B. Dick of the U.S.

Gestetner Is among the world leaders in duplicators, and has established in some areas the aame identification of its name with the process as Xerox has. It has seen its revenue grow over the past five years, from £188.8m in 1975 to £267.5m in 1979, but operating profits have declined in the past three years, from £26.1m in 1977 to £16.9m last year. The main problem for Gestetner is one by no means unique to it, a strong pound naturally hits hard a company which exports 90 per cent of its production.

Its strategy remains, however, one of gradually shifting into a higher technology. It has two coplers, both developed by its Rex Rolary subsidiary: the 2010 and 2015, both desk top plain paper coplers, manufactured at the company's Tottenham plant. At the same time, it hrought out at the end of last year a stencil duplicator called the Faxil 1566 which incorporates automatic loading and automatic ejection of the master.

The trick for Gestetner is to continue to serve its traditional market, while applying resources to the new one.

Roneo Vickers, which has been Gestetner's main rival, has taken a quite different route. Earlier this month, the company sold off for £30m its office machinery division to the French electronics company CIT Alcatel. Roneo Vickers will draw back into what It sees as its strength, the manufacture of office forniture. While the company distributes a German-made copler, It has not Invested in the technology itself, judging the risks too high.

Oddly, the takeover of Roneo by CIT had been foreshadowed, in late 1978, by the takeover, for £52m, of A. B. Dick by the UK General Electric Company (GEC). Dick was an old family company, strong in duplicating and printing equipment, with developing ranges in copying and word processing. Like Roneo, it needed cash.

In summary, then, the market remains profitable (a) if the traditional markets can be served—which depends on an International marketing network, and (b) if technology can he Incorporated into new products for future markets.

J.L.

هكذا من الأصل

Xerox overcomes its problems

THE Xerox Corporation developed the xerographic process and, with its UK-based part-owoed suhsidiary Rank Xerox, still commands around 60 per cent of the market.

Its growth has heeo astonishing: so much so that Its loss of market share In the past decade, taken together with a perlod of comparatively low profitability, has been seen as little short of disastrous in comparison. The troubles were certainly more than skin deep, but they appear to have heen at least partly conquered.

Xerography was the brainchild of a U.S. patent lawyer named Chester Carlson, who sncceeded in having it developed by the Batelle Memorial Institute, which in turn was supported in its work by the Haloid Company. Haloid took an exclusive patent on Batelle's developmeot. In the 50s, Haloid, which changed Its nama to Haloid Xerox then Xerox Corporation (1961) began introducing the first xerographic machines.

Partner found

Io 1956, while still establishing a U.S. market, Xerox found a European partner in Rank. The joint venture, Rank Xerox, was set up to manufacture and market machines in all parts of the world other than North America. In 1969, the 50:50 share was changed by 1 per ceot in favour of Xerox. In the 60s, Rank Xerox established subsidiaries in most European countries, in Japan (a joint venture with Fuji-Fuji Xerox): in the UK, it initially marketed from internatiooal headquarters, then transferred marketing to Rank Xerox UK in 1972.

Tbe troubles which hit Xerox/Rank in the mid 70s are largely to be summed up as the onset of substantial competition. A number of U.S. and European companies had moved into the market, and these wera complemented hy Japanese companies competing strongly at the low end of the market where Xerox/Rank Xerox was vulnerahle.

The Japanese machines were not only cheaper and mora quickly available than Xerox's, they also—to add insult to injury—incorporated a technical advance at the low end in the use of liquid ink, or toner, instead of the Xerox powder.

Xerox naturally hit back, cutting prices on its threatened machines, introducing new equipmeot, stressiog service and range. It appears to have worked, at least up to a point. The company is much less of a monopoly than it was, and can clearly not crush its opposition by simply rolling over. However, It seems to have taken sufficiently strong action to hold on to a dominant market share.

Profits in Rank Xerox, which had declined in the years 1975-1977, rose again in 1978 and leapt ahead in 1979. At the same time, investment Increased sharply, as did additions to rental equipment. Mr. Hamish Orr-Ewing, the recently appointed chairman of Rank Xerox, bas as his prime message the slogan: "We're not afraid of the Japanese!"

Its most pnblicised, and most important recent activities have concerned the acquisition of companies and products to prepare the corporation for office automation. It has taken on Calcomp, which makes memnry prodncts; Western Union International, which operates satellite communications links; Sbugart, which makes disk drives and, has announced the development of a telecommunications network, XTEN. At the same time, it has brought out word processors, and an intelligeot copler, the 9700.

The comment of a recent A. D. Little report nn the project was: "Xerox appears to have stationed itself well to deal with the necessarily evolutionary characteristics nf office automation systems market. Historically, however, It has not addressed systems oriented markets successfully. It has yet to prove that it can successfully implement a full product line strategy fo rthis market." We wait to see.

J.L.

Mr. Hamish Orr-Ewing, chairman of Rank Xerox

THE MANAGEMENT PAGE

EDITED BY CHRISTOPHER LORENZ

Nicholas Leslie examines why small U.S. companies are worried about capital retention

Looking for help to keep business in the family

THOSE who see American business as a battery of hig batallions—Ford, General Motors, Exxon and the like—will be surprised to learn that about 95 per cent of all U.S. businessea are in the official category of "amall." To be fair, many of these would easily be clasified as medium sized in European terms, but a good 80 per cent of America's businesses are tiny in anyone's language, employing 10 people or less.

So the "hig husiness" stereotype of America is wrong. But this does not necessarily mean that the small husiness sector is entirely healthy. Since the last war there has been a major concentration of ownership of the nation's corporate assets—a phenomenon that has been mirrored to a degree in the UK and some other European countries. For example, since 1960 the proportion of manufacturing assets in the States controlled by small and medinm sized businesses has contracted by more than half to less than 27 per cent.

It is not only hy internally generated growth that large companies have grown larger and larger, but also by buying up tbeir smaller brethren in droves. In 1978, for instance, nearly tbree-quarters of tbe businesses which were acquired had assets of less than $1m, while almost half of tbose dning the buying had assets exceeding $100m.

Many owners of small U.S. companies object to tbis trend. The intensity of their feeling was patently obvious at a gathering of 2,000 of them during the first White House Conference on Small Business in Washington in January.

The conference was the culmination of 18 months of regional conferences and seminars at which many thousands of small businessmeo had been able to air their views on what initiatives were needed to improve the climate for them. Tbe whole effort was originally instigated hy President Carter himself, and clearly raised small businessmen's expectations of new measures to help them. However, it must be said that objective evidence of their alleged difficulties remains sketchy.

Unfair tax system

Most of the delegates at the conference saw the trend of company concentration as irrefutable evidence of an unfair taxation system tbat allows large companies to retain a much greater proportion of their earnings for future growth tban can smaller concerns, and wbich forces privately-owned family businesses into tbe arms of their big corporate brothers through the prohibitive cost of handing on a family concern to the next generation.

Not that big company takeovers of small concerns are resented per se. Tbis time-honoured way for the thrusting entrepreneur to realise a big financial gain from his endeavours will inevitably remain popular.

It is important to be clear that the current debate is among a complete cross-section of American small business: not only the much-publicised high technology-based firms, but even more the low-technology family ones such as builders, engineers, real estate agents, electricians, plumhers, restaurateurs and the like. The family firm is still very much a national institution in the U.S. and it is because their owners see their ability to ensure a family succession under tbreat that they show such hostility.

Giveo the intensity of their feeling—which is shared to a large extent in the UK despite differences in the two countries' tax structures—it is perhaps hardly surprising that small businessmen in America are so preoccupied with lobbying for changes in corporate and personal income tax wbich would allow them to retain their companies within family ownership and to keep more cash in their companies for future development.

That said, it is not only personal taxation which has driven small businessmen into their current preoccupation with capital retention. There are a variety of other factors, not least the slowdown in economic and industrial growth. There is also the way that inflation—still a relatively new phenomenon—eats into their cash flows yet pushes them into more pernicious tax brackets as their earnings rise in nominal—though not real—value.

They have consequently become more alive to, and aggrieved hy, what they see as a series of other anomalies. One is their contributiun of relatively more tax to the government per dollar of sales tban larger and more mature corporations. Another is their relatively poor treatment by government over puhlic procurement contracts.

Small businessmen allege that whether the U.S. Government is buying capital equipment, services or research and development, it consistently goes to the major 1,000 or so hig American groups rather than spread its business around smaller concerns (the Small Business Administration would dispute this, arguing that it bas made considerable strides in directing more government contracts towards the smaller business sectoc).

Indeed, there were many people at the White House conference who complained that their efforts in the fields of ionovation and technology were suffering because tbey were not getting the support from government they believed they deserved (on mure than one occasion caustic remarks were made about the folly of pumping billions of dollars into the ailing Chrysler car company which cuuld be better employed in the nation's small husiness community).

One suggested way of ironing out the inconsistencies in federal government procurement was for a given percentage (varying from 10 per cent to 35 per cent) of each federal ageocy's research and development budget to be set aside for projects allocated to small business.

Though such an approach is apparently generally favoured by small businessmen—and hy larger businesses which were consulted hy the Administration last year—it can nonetheless he fraught with difficulties.

As Monday's article reported, positive discrimination on the part of the Small Business Administration in the allocation of some of its funds has generated varying reactions. On the one hand, for example, there have been accusations that funds set aside specifically for ethpic minorities bave involved considerable waste and abuse, while on tbe other there have been countercharges that sucb funds are not large enough.

The small businessmen's shopping list of specifically financial measures is extremely lengthy. They bope to see a fresh approach to depreciation schedules to replace the existing one which is considered to be over-complicated. They also want a wider range of organisations and individuals to be encouraged to invest in small companies. Two sugestions are for tax credits to be given on initial investments in a company and for tax to be deferred on investments that are rolled over.

Divisions of opinion

Behind the public consensus on general tax structure tbere are deep divisiums of opinion about whether indexation should be introduced.

But there is very wide agreement in another special type of loan—the Small Business Participating Dehenture. Legislation is already pending to introduce such an instrument, envisaging that the debenture bolder gets a given rate of interest, together with a share of earnings wbile the debenture is outstanding.

The debenture holder's income is treated as capital gains for tax purposes (thus it attracts a lower rate of tax) and he also gets a tax credit for investing in an SBPD. Meanwhile, the small business that issues the debenture treats both the interest and the share of earnings that it pays out as a cost of capital and deducts both prior to paying tax.

Ironically, Small Business Investment Companies—a concept which has recently been advocated in the UK (not least by Sir Harold Wilson's committee inquiring into financial institution—generate a mixed reaction among America's small business community.

SBICs are privalely-owned specialist financing companies designed to invest unsecured or largely unsecured "risk" equity capital or loans in small business, both new and established firms. The companies are licensed by the SBA and attract generous tax advantages for their shareholders. However, many small business owners reckon that SBICs are now too conservative in their approach and orientated towards providing debt rather than equity capital. There is some feeling that debt financing is widely available elsewhere in the financial community and that SBICs do not therefore provide an adequate hridgehead between venture capitalists and banks.

The considerable undercurrent of feeling that has been generated among America's small business community, especially as a result of the small business conference in January and the regional conferences and seminars which preceded it in the previous 18 months, has generated expectatinns which will probably prove difficult to fulfil.

Tbe small business lobby has grown and clearly has become better organised. Many within tne specialist organisations that have tended to proliferate throughout the country in the past two or three years believe they now have mucb increased political clout and that they cannot be ignored io Congress or the Senate.

Yet there must be doubt at present wbether the measures they are seeking, and which they believe will re-generate the small business sector and halt the trend towards large company concentration, have great hopes of being effected. For, even if they are acknowledged as being the right steps to take, President Carter's series of economic proposals this year run somewhat counter to their hopes. There seems little likelihood in the short term of any major tax concessions and higher interest rates will presumably exacerbate their cash problems.

Some bettec indication sbould emerge in the Summer when Vernon Weaver, administratoc of the Small Business Administration, has promised to report back to delegates of the January conference on the progress that has been made towards meeting the host of proposals they put forward.

Who will be the Fairey godmother?

BY HAZEL DUFFY

ONE OF the most urgent questions facing the politically pressuced National Enterprise Board is wbat to do with its stake in Fairey Holdings, the engineering group. The recent bid for Fairey by Hambros Bank has confronted the board with an awkward dilemma. And as one NEB official said recently: "Whatever we decide it will be wrong."

Theoretically, the NEB has not one but three options. It can sell Fairey to Hambros; or sell to other, as yet unidentified, "interested parties" which have not to date made any bids; or ignore all such approacbes and retain Fairey in its own portfolio.

If the NEB accepts the Hambros' £19.5m cash bid for Fairey, made just over five weeks ago, Hambros would then allocate most of the equity to various institutions which bave already indicated their interest.

In two to three years, the plan is to bring Fairey to the stock market, when some of these institutions might wish to sell off their stakes or else retain Fairey in their portfolios. Hambros' original offer expired two weeks ago, but it was extended until today. The NEB thinks the offer is too low—it would like at least another £2.5m to £3m.

The names of the other "interested parties" are believed to include Thomas Tilling, BTR and Trafalgac House Investments, three of Britain's most successful conglomerates. The NEB has been very cagey about saying just how interested these parties are, but it is assumed that if one of them did make a bid it would be for all the companies in the Fairey group. Ever since the NEB took over Fairey in January 1978, some companies bave been nosing around but mostly they were interested in buying only a part of the group.

If the NEB retains Fairey in its portfolio until it has had enough time to show wbat it is worth, it could then bring it to the market itself. This option is the one desired by Fairey and would suit the NEB, but in the light of the pressures from Government on the NEB to raise £100m from the sale of assets, it is also the most unlikely. When the Industry Bill becomes law, the NEB's new guidelines will reverse the original purpose for setting up the Board, which was to expand the public sector, and instead require it to wock towards selling off assets like Fairey.

The criteria which the NEB has to consider when making disposals are concerned with the interests of the taxpayer and of the company to he sold. No official guidance is given as to which is more important, so presumably they are of equal importance. In the case of Fairey, however, that is a difficult assumption. The highest price, giving the taxpayer the greatest return, would be calsed probably by splitting up Fairey and selling off to different parties. It could be argued, and Fairey management is doing so, that this would not be in the interests of the company.

Shopfloor

The chances of being retained by the NEB being slight, the Fairey board, managers, and those shopflooc employees who have taken a view, all favour the Hambros offer because they believe it is the best guarantee that the group will continue as a single entity. They say such an assurance is vital to the group being able to build up confidence and produce good results.

Fairey as it is under tbe NEB did not exist three years ago. It was part of tbe Fairey which included the aviation interests that dragged the whole company into receivership. The NEB bought the engineering companies from the receiver for around £18m, kept on the name, appointed a chairman (Mr. Angus Murray), then a chief executive (Mr. Kenneth Bacon), and a new board. In tbe two years under NEB ownership, Fairey has not needed to borrow any money from the NEB, and has produced profits before tax of just over £5m in each year. This sort of return is nothing to shout about, but it is a lot hetter than many engineering companies have done over the past year.

Fairey bas four main interests: defence engineering equipment, particularly the medium girder bridge; hydraulics; filtration; and marine engineering. It has to be admitted that there is not a great deal of industrial logic in forging them together. It might even be argued tbat hydraulics, for instance, would have a better future if it was merged into, for example, a specialist group like Dowty.

Fairey has aroused interest because it is a fairly specialised engineering group. Defence equipment is the most profitable, but hydraulics, in particular, and filtration, have the most potential. Fairey hydraulics have been sold to a numher of aerospace projects in Europe and the U.S. and could do well from the civil aircraft hoom.

The corporate strategy is aimed at hiulding on existing interests in advanced technology, and to this end, Fairey announced recently that it will he marketing, and making, Italian-designed robots under licence. In its choice of flexible robotic systems, the deal looks promising but if it is to be of long-term significance, Fairey will have to show that it can do its own design and development.

Engineering is a depressed sector at present, and the immediate future does not hold out much prospect fo recovery. In this climate, Fairey senior management bas done reasonably well. It bas sbown resourcefulness in building on its strengths, and has not shied away from difficult decisions like the closure of its loss-making plant in the North-East shortly after the NEB takeover. Tbe next couple fo years will be more challenging, and everybody would have liked them to have been in the relatively protective environment fo the NEB.

If that is not to be Fairey's future, then perhaps the management ought to be listened to when it says it would prefer to stay independent rather than be swallowed up hy a mucb bigger group. The days of consulting the workforce on takeovers went out with Anthony Wedgwood Benn, but this Government, which puts great store by individual initiative and enterprise, could hardly disapprove of hearkening to the management's view. If Hambros could stump up some more cash, an acceptable solution need not be far away.

LOMBARD

Property rights in jobs

BY SAMUEL BRITTAN

SOME YEARS ago I wrote an essay *in favour* of property rights in workers' jobs (now in Chapter 20 of *The Economic Consequences of Democracy*, Temple Smith, 1977). The basic idea was that some workers should have a contrac*tual right to their job*, of which they could not be deprived without their consent—although they could be bought out at a mutually-agreed price.

The basic idea was to provide workers insurance against *being the victims* of technological or other change which might force them to change in mid-career to less well-paid or less congenial or less conveniently situated work—or else go on the dole. The object was not to stop technological change, but to make sure that the winners from change would compensate the losers. If a change is unequivocally beneficial to society, employers ought to be able to buy out the job rights of those who would *lose from the* process.

Alternative

Job rights, as I envisaged them, differed from conventional redundancy compensation. The latter is determined by past contributions and statutory provisions. The value of a disappearing job on the other hand is the premium it commands over the next best alternative—both the differential in pay and conditions and the costs, risks and anxieties of looking for that alternative. This is measured approximately by what the worker would agree to receive for having his right to his existing job "bought out."

The proposal was not welcomed on the employers' side because it looked like just another burden. It was equally unwelcome on the union side, because it was a form of individual protection which bypassed the union. Indeed my original essay envisaged a whole series of alternative labour contracts—in one of which there would be job security in exchange for the waiving of the right to strike. This variant might be suitable, for instance, for the essential public services.

One reason for keeping alive the proposal is that property rights in jobs have been developing *de facto*; and we could easily end up with most of their disadvantages and few of their advantages. There has for a long time been the concept of lifetime employment in large-scale Japanese industry. In Belgium and Spain dismissed workers of some seniority have to be compensated by the equivalent of a full wage payment over the remainder of the employee's working life.

In the UK, the obstacles to sacking workers, *both informal* and under the Employment Protection Act, form the standby of employers' conversation. (But characteristically the UK seems to have the worst of all worlds. The employers face many costs and problems, but the workers do not feel genuinely secure—and are not.)

The well-known American management writer, Peter F. Drucker, has recognised the *de facto* emergence of a job as a new kind of ownership right (in an article in the Wall St. Journal, of March 4). He ties it together with the pension right as a new kind of property. In my own essay, I mentioned that job security was expensive to provide; and if it was not to lead to more unemployment rather than less, workers would have to recognise it as an alternative to higher take-home pay. The *market value of the rights* could be established and the system made to work only if there were sectors and business without job *rights employing workers* whose preference was for the maximum cash here and now.

Mr. Drucker has put his finger on what is wrong with property rights in jobs in the form they are now emerging. "They cannot be bought, or sold or pawned or bequethed. This was very much the way the law treated property in land in mediaeval Europe and pre-modern Japan." The need is surely to move from a feudal to a market-based concept of job rights so that they can be bought and sold among qualified people.

The principle is that special rights and privileges—whether to jobs or council houses—do much less to ossify the economy if they are transferable between individuals at a mutually agreed price in a secondary market than if they are treated as an inalienable feudal *privilege*. The question is no longer whether to have property rights in jobs, but what kind of rights these should be.

Planning a £3 border in the seed-shop

GARDENS TODAY

BY ROBIN LANE FOX

THIS SEEMS to be the right time to make a seasonal suggestion for those of you who are starting out with keenness, but no *established backbone* to your gardens, and for those who are giving up drink and driving after the Budget and want something cheaper and healthier for long summer evenings.

I hope that you will spend a careful hour in a seed-shop or among those large racks of display-packets which the seedsmen now offer in most garden centres. If you think that they mean hard work, heating and nothing but orange *marigolds*, you have never been bold with them. I intend to plan a border for about £3 which would fill a bed some 8 ft deep and 30 ft long in a sunny place without needing heat in a greenhouse *or the labour of pricking out*.

Better still, it would be in full flower by mid-July if you seized on the next bout of warm and damp spring weather and took the day off to plan your own small work of art.

I assure you that it is easy and quite possible. I will choose only the hardy annuals which grow from seed outdoors in any season. Some of them are other countries' chickweed and groundsel, but I find them all far prettier and no more awkward than these obliging English weeds.

Height, you might think, will be a problem. If you look out for *the hardy annual mallows it* is nothing of the sort. There are two varieties, the shocking pink forms of the lavatera and the deeper shades of the less familiar malope. The former now *boast* the excellent new selection called Silver Cup which is slightly smaller and very well coloured. The older Loveliness is no longer the best, but even so, I still prefer the malopes for density and solid colouring.

I would pick on the Crimson King variety as the mainstay for my back row and match it with the bright leaves of the hop and the heavy flowers of double-headed poppies. To make my *task* more *difficult* and yours easier, I am excluding the sweet pea.

Without heat or glass, the seed of the hop should be kept until early May, before it is sown outdoors. Try to buy the form with a *cream-yellow* variegation on its fresh green leaves and sow four or five seeds round a circle, so that you can later build them a frame of bamboo canes and wire netting up which the hop will race to a height of four or five feet.

By late July, they will suggest that your border has been in place for long enough to have gained form and mass. The stems of the hop will cling to the netting without further support. Sweet peas, obviously, are an alternative, and ideally, they should have been sown two months ago.

Between the hops and the red mallow you can either go for poppies or sunflowers. There are two tips to the hardy annual poppies: buy a double-flowered form, so that the flowers last longer, and be sure to sow the seeds where you want the plants to flower. The best double forms, to my eye, are the heavy peony-flowered mixtures. Like all *poppies*, *they* aim to grow a tap root and thus hate to be transplanted from place to place.

The seed is prolific, so you should scatter its freely wherever you want it to germinate, either laying it in *drills* made with the back of a rake or else pressing it down into the loosened *soil*. *They grow* quickly to a height of three feet or so and have a solid flower which matches your hops and mallow very prettily.

If you feel that poppies are not quite tall or thick enough, you should *instead* use *any* of the small forms of sunflower. A small sunflower is about four feet high, of course, and its seeds should not be sown outdoors until May 1. They soon catch up and the delay should allow you time to order a good mixture, of which the old Autumn Beauty cross is still very useful.

As usual, big groups of a few varieties are far more effective than the odd plant of many sorts here and there. I would limit the backrow to these three quick-growing varieties and move forward to the easier problem of a second row for the middle. As a general rule the height of the tallest plants *should* be about half the width of the bed.

A width of eight feet allows you a back, middle and front row, ranging from four feet high to a foot or less. The *middle* is easily filled. I have never grown good clarkia or larkspur and I do not care for *cornflowers as they are too thin* and upright. Love-in-a-mist is quite another matter, so I would make this simple plant the mainstay of the middle, using only the clear blue Miss Jekyll form. It is an extremely obliging plant with no vices or stubbornness.

The pair to it is less well known, the lovely annual Corn Cockle which *grows* wild on the small corn fields in south west Turkey near the old archaeological site of Mylasa. It is sold as *Agrostemma milas* and I cannot recommend it too highly. The flowers stand on thin grey-green stems about three feet tall and are open, five-petalled and pale lilac marked with darker streaks. They are extremely tough *in* a wet summer and grow as easily as dandelions. I hope that you will not *miss this graceful* and *easy* plant whether or not you bother with the rest of my border. It will be flowering profusely by mid-July if you sow it during the next fortnight.

Between this lilac-flowered clump and the Love-in-a-mist I would rest content with some good patches of the annual scabious, another fool-proof plant. Try to buy it in a separately coloured form of which the deep maroon-red is particularly handsome. It grows very thickly when well-treated, so be sure to look after any seedlings which you keep after the first thinning out, and please do not forget that they must be watered in a dry May.

The front row is altogether easier. For my money, I would always use the dark green and white spotted leaves of the Mary's thistle or Silybum as they add firmness to a planting which could otherwise become too flowery. Around it, I would use the slender forms of annual flax, or linum, especially the *graceful red forms* whose flowers open wide in the sun to reveal their dark central ring.

These reach a height of about 18 inches and can be massed very closely as they are so slender. Along the front I would alternate patches of the two best hardy blues, the glorious deep blue *Phacelia* and the slightly less refined *Nemophila* whose milk-blue flowers have a white eye and are born in great profusion in sun and shade alike. At a greater height, the deep blue forms of annual anchusa are more solid and would match the flax quite well at a height of a foot and a half.

Our main themes so far have been rose-red, blues and lilac *pinks*, *so* I would *round them off*, with two good clumps of the most reliable annual of them all, the hardly echiums whose mixed flowers range from china blue through white and rose-lilac.

These rough-leaved plants are not the most elegant in leaf, but they make wide bushes in almost any soil and flower abundantly whatever the weather. I am always very pleased to have them in late summer at a height of a foot and a half. The *scabious, perhaps could* run forwards from the middle row and these clumps of echium could reach back into the bed to break up the height.

The total cost, I think, should not exceed £3. Of this, *only the hops are not* wholly fool-proof. You need no heat, no seed-boxes, nothing more than a light soil which you have raked *well* in an open *sunny* site. You sow the seed straight into the ground, then thin it a month or so later. Watering is the only chore, but there are few summers when nature will not do most of it for you. Good results are well within any busy gardener's grasp.

Another Merlin for Remigio

RACING

BY DOMINIC WIGAN

THERE IS a break from Flat racing this afternoon but jumping *enthusiasts* are unlikely to be disappointed by the day's fare, for it includes a fine programme at Ascot and support fixtures at Kelso and Worcester.

On the Queen's course, by far the most valuable event is the Berni Inns long-distance hurdle which a year ago when to Prominent King. This time I expect the winner to come from either Ross du Vin or Pardon.

*The first-named, a much-*improved nine-year-old, trained by Josh Gifford, has already won twice over this three-mile course and distance.

In achieving the second of those successes, Ross du Vin probably put up his best performance to date when comfortably accounting for King Neptune at level weights in the *Fernbank Hurdle*. *Making* virtually all the running in that event, the Findon gelding was not hard-pressed to maintain *his* advantage

Ross du Vin renews rivalry with the runner-up on identical terms and despite his subsequent poor showing on ground admittedly heavier than he likes at Cheltenham. He should *confirm his superiority*.

Pardon, the winner of two of his eight races this season, is another who probably put up *his best performance of* the campaign last time out. Sent to Sandown for the Oak Open Hurdle, the Uplands six-year-old foiled a strong market move for Gemini Miss, beating that eight-year-old, to whom he was giving the best part of 2 stones, by six lengths.

A year ago that top-class hunter chaser, Remigio, justified prohibitive odds in the Merlin Hunters' Chase with *a* fluent victory over Canhe, and it will come as a major surprise to many if he does not do the trick again. Remigio, who also won this event in 1977 when beating better opponents in Rough House and Long Lane, can regain winning form following a three-lengths defeat by stablemate Rolls Rambler at Cheltenham, by out-pacing Beeoo.

ASCOT

2.00—Remigio***
2.35—Roshmere*
3.05—Nimrody
3.35—Pardon**
4.10—Foxworthy
4.40—Loophole

ENTERTAINMENT GUIDE

OPERA & BALLET

THEATRES

THEATRES

CINEMAS

ART GALLERIES

VICTORIA PALACE. CC. 01-828 4735-6. 01-834 1317. Evgs. 7.30. Mats. Wed. and Sats. 2.45. ANNIE. Group Sales Box Office 01-379 6061.

ROYAL INSTITUTE OF PAINTERS IN WATERCOLOURS. Annual Exhibition. The Mall Galleries, The Mall, SW1. Daily including Good Friday and Easter. 10-5. Until April 27. Adm. 20p.

TV Radio

BBC 1

†Indicates programmes in black and white

9.55 am Ludwig. 10.00 Jackanory. 10.15 Tarzan. 10.35 Hang on Doggy. 12.45 pm News. 1.00 Pebble Mill at One. 1.45 Heads and Tails. 3.53 Regional News for England (except London). 3.55 Play School. 4.20 The Space Sentinels. 4.40 Wildtrack: news on wildlife. 5.05 John Craven's Newsround. 5.10 Potter's Picture Palace.

5.40 Evening News.
5.50 Nationwide (London and South East).
6.20 Nationwide.
6.55 Film: "Deadman's Curve," starring Richard Hatch.
8.30 Potter.
9.00 Nine O'clock News.
9.25 Report on the pesticide.
9.55 Sportsnight.
10.50 Michael Parkinson and Tommy Steele.
11.50 News Headlines/Weather.

All Regions as BBC 1 except as follows:

Cymru/Wales—5.55-6.20 pm Wales Today. 6.55-7.05 Tom and Jerry. 7.05-7.30 Heddiw. 7.30-8.00 A Question of Sport. 8.00-8.30 My Wife Next Door. 11.45 News and Weather for Wales.

Scotland—12.40-12.45 pm Scottish News. 5.55-6.20 Reporting Scotland. 10.50-11.20 Is Anybody There? 11.20-12.20 Michael Parkinson meets Tommy Steele. 12.15 am News and Weather for Scotland.

Northern Ireland—3.53-3.55 pm Northern Ireland News. 5.55-6.20 Scene Around Six. 11.45 News and Weather for Northern Ireland.

England—5.55-6.20 pm Look East (Norwich); Look North (Leeds, Newcastle); Look North-west (Manchester); Midlands Today (Birmingham); Nationwide (London and South East); Points West (Bristol); South Today (Southampton); Spotlight South West (Plymouth).

BBC 2

10.20 am Gharbar.
11.00 Play School.
2.20 pm Racing from Ascot.
4.40 Holiday Matinee: "The Ballad of Josie," starring Doris Day.
6.20 Chess: Lothar Schmid v. Robert Byrne.
6.50 Outside a City Wall.
7.00 Mid-evening News.
7.10 The Silicon Factor.
7.50 Arena.
8.30 "Man of La Mancha," with Sophia Loren.
10.35 Cartoon: "The Ladder."
10.45 Newsnight.
11.30 Closedown: "Greek Orthodox," by John Betjeman.

LONDON

9.30 am Australian Snakes. 9.50 Who's Afraid of Opera? 10.15 Conquest of the Sea. 11.05 Young Ramsay. 11.55 The Bubblies. 12.00 pm Cloppa Castle. 12.10 Rainbow. 12.30 Camera. 1.00 News at One. 1.20 Thames News. 1.30 Take The High Road. 2.00 Afternoon Plus. 2.45 The Outsiders. 3.45 Square One. 4.15 The Sooty Show. 4.45 Noah's Castle. 5.15 Struck by Lightning.

5.45 News.
6.00 Thames News.
6.25 Help!
6.35 Crossroads.
7.00 This Is Your Life.
7.30 Coronation Street.
8.00 Comedy Tonight.
9.00 Best Sellers: "A Man Called Intrepid."
10.00 News at Ten.
10.30 Best Sellers (continued).
11.15 The Birmingham International Show-Jumping Championship, 1980.
12.15 am Thames Art: "Orchestras Axed."
12.30 Encounter at Easter.

All IBA regions as London except at the following times:

ANGLIA

ATV

BORDER

CHANNEL

GRAMPIAN

GRANADA

HTV

SCOTTISH

SOUTHERN

TYNE TEES

ULSTER

WESTWARD

YORKSHIRE

RADIO 1

(S) Stereophonic broadcast

RADIO 2

RADIO 3

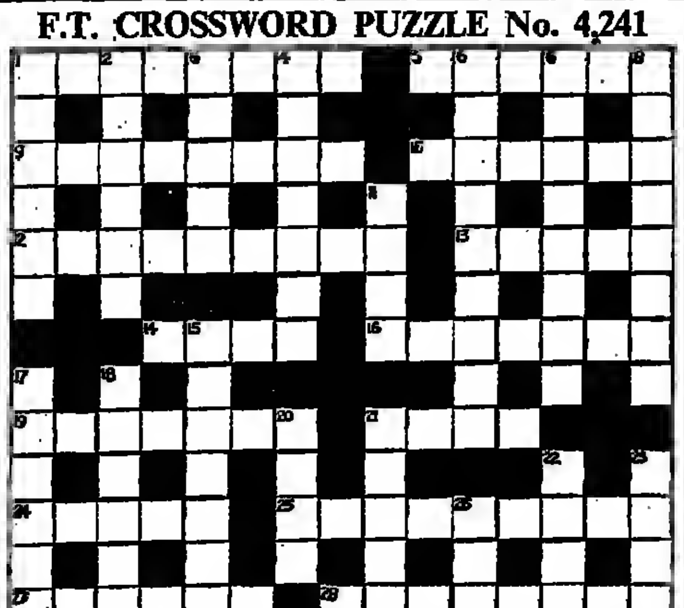
RADIO 4

BBC Radio London

London Broadcasting

Capital Radio

F.T. CROSSWORD PUZZLE No. 4,241



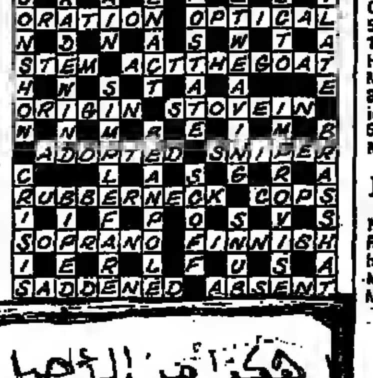
ACROSS

1 Paint ornament to beautify (8)
5 Agree with type of electric cable (6)
9 Clergyman I put in cathedral (8)
10 Prevent detectives returning in poetic style (6)
12 Vessels in exile, capable of enlargement (9)
13 Sharpen your head sweet-heart (5)
14 Mob in rising anger (4)
16 Gun could possibly be hers too (7)
19 Fiddled useless little edition (7)
21 Thrust in a bag (4)
24 Blossom in "Mastermind" (5)
25 Hackneyed saying from start of polar zone (9)
27 Worm in river in flood (6)
28 Drinker from the south could be a dotty painter (8)
29 Soldiers distribute salad vegetable (6)
30 I perform after time for fan (8)

DOWN

1 Mute draught regulator (6)
2 Can imitate fried bread (6)
3 Goes to bow? No sir, that's wrong (5)
4 Get me in confusion for pouring (7)
6 Trained to be employed for body building (9)
7 Speak about row in order (8)
8 Cut off three feet from ships in naval establishment (8)
11 Where to dine with me on ship (4)
15 A watering-place with sugar put up in plant (9)
17 I defame one who lives in Jersey (8)
18 Talked childishly when softly disconcerted (8)
20 Do physical exercises for information (4)
21 Set and plated around pole (7)
22 Chicken to draw and in France (6)
23 I am dressed in display, with hesitation (6)
26 Little devil the Spanish urge forward (5)

SOLUTION TO PUZZLE No. 4,240



CLASSIFIED ADVERTISEMENT RATES

	per line £	single column cm £
Commercial and Industrial Property	6.00	19.50
Residential Property	3.50	12.50
Appointments	6.00	19.50
Business and Investment Opportunities, Corporation Loans, Production Capacity, Businesses for Sale/Wanted	7.00	23.00
Education, Personal, Gardening	6.00	17.00
Motor Cars	3.50	14.00
Hotels and Travel	4.00	15.00
Contracts and Tenders	6.00	19.50
Book Publishers	—	9.00

Premium positions available
(Minimum size 30 column cms)
£2.00 per single column cm extra
For further details write to:
Classified Advertisement Manager
Financial Times, 10 Cannon Street, EC4P 4BY

Television

It's not always the real thing

by CHRIS DUNKLEY

Watching London Weekend Television's nineteen-thirties costumed whodunnit *Why Didn't They Ask Evans?* was a bit like watching cricket in Hollywood: on the surface everything seemed spot-on with the detail looking even more meticulously authentic than in the real thing. As the event proceeded, however, a powerful feeling began to develop that beneath the immaculate exterior something was seriously amiss, and in the end it became clear that the appearance was all: clothing, setting and props were faultless, as were the actions of the participants, but the very spirit was wrong.

There is, of course, considerable valne in appearances. Give Francesca Annis perfect crimson lipstick and a coupla of dozen couture frocks and hats end I will happily watch her climbing in and out of a Bentley tourer (in British racing green) for half the night. Take your cameras out to chocolate box locations, people the landscape with actors as good as John Gielgud and Joan Hickson, and I will remain amused for an hour at a time whatever they have to say. Add vintage aircraft and motorbikes to a veritabla parade of old cars, and throw in a whnle succession of beautiful English houses, and I will suspend critical judgment for a remarkably long time.

There are limits, however, even for those of us most willing to surrender ourselves to such straightforward visual sensuousness and you break those limits if you attempt to extend the eyeball massaging session across 3¼ hours as LWT did.

On tha principle of breaking away from the boring and cowardly portion-control practised by television in which programmes are only available in shrink-wrapped packages of 30 to 90 minutes I am entirely with them. The trouble was that they chose to attempt the break with a work which—according to the grapevine—was originally intended for transmission as a serial, and it is just not good enough to offar the customer the contents of seven little blister packs all emptied out together, no matter how pretty the wrapping.

It might possibly have worked if the adaptation had been from one of Agatha Christie's very best efforts, though all her work is over rated. Since *Why Did'nt They Ask Evans?* is very far from her best it is no great surprise to find it failing to sustain interest over all that time on television.

In a completely different subject area (though this week's programme happened to follow the Christie on to the air) London Weekend again deserves a bouquet for good intentions but again a brickbat for the result. The idea of dealing regularly and openly with homosexuality was an admirable one, but in the event *Gay Life* has proved to be counter productive. It has mada the mistake of identifying so closely with the minority group who constitute its subject that it ceases to have any journalistic validity or indeed any use for the heterosexual majority of viewers (in the London area to which it is currently limited) and has been reduced to the level of one of those access slota which are used for massaging the egos of wounded minorities. Perhaps it was never intended to achieve anything more—in which case homosexuals would accomplish as much by forming groups to perform collective whistling in the dark.

In one way the series usefully exemplifies a general trend within the broader and growing scope of social affairs television: by pushing its subject into a slot of its own where the matter is considered in isolation it projects a quite disproportionate sense of importance onto it. This more than anything contributes to that "bias against understanding" of which television was being accused soma years ago, and it *is* time producers dropped the habit and started using a new, much more demanding and difficult approach in which analysis and distribution of responsibility would become more important than villain-spotting and condemnation. It might be called "social audit" after the consumerist technique, and I hope to return to the idea in a forthcoming column.

Saturday's live relay on BBC2 and Radio 3 of *Lucrezio Borgia* from Covent Garden proved again that the relationship between real and televised opera is much like that between real and instant coffee: considered against a background of all the other choices the world has to offer the imitation is cunningly similar to the real thing, and has considerable value in its own right. But judged by anyone who has developed even an amateurish palate for the authentic article, the packaged variety is notable for its quality control, each successive serving being much like the last, and for the absence, even in live recordings, of the fresh-roast aroma and the caffeine kick of the real thing.

There are actually certain technical advantages to opera on a small screen, as I discovered on Saturday, watching

Eric Porter and Madeline in "Why Didn't they Ask Evans?"

the Prologue and Act II from the front stalls and Act I from the BBC's monitor in the theatre. For instance, the quality of costume design and the relationship between costumes and sets is much more quickly apparent from television than from the stalls. Television effecta a miniaturisation much like the models that theatrical designers themselves uae. By squeezing the red and gold of the d'Este palace in Act I Scene II ioto a flat luminous rectangle with a diagonal of only 26 inches, television immediately conveyed a aense of dense richness, as in a Holman Hunt painting, which felt much less definite in the theatre.

Television also offers the handy crib of sub-titles which we non-linguists often wish could he projected along the edge of the stage in opera houses. (Even if they are sometimes laughable as in Saturday's "They're having a party" and the brusque Borgia response: "It'll be their last.") What's more, some performers are clearly favoured by the camera and acquire greater comparative impact from television. This was notably true of Stafford Dean who played Lucrezia Borgia'a husband and, while certainly striking on stage, gained more than most from being televised.

Above all, of course, hundreds of thousands of people who might never even have come across an opera in earlier days are now able to watch a whole range of first class performances thanks to television and in particular the BBC. Yet there is no denying that for the true feel of grand opera, particularly in a baroque melodrama such as this with a performer of Joan Sutherland's calibre at its centre, nothing can truly equal the experience of being present in the theatre.

No doubt the same is true of other baroque melodramas such as the EEC summit in Dublin last winter, the difference being that in such cases you cannot buy a seat even at opera house prices. Yet thanks to producer Norma Percy and the Granada team television even managed to bring us what is by all acounts an uncannily accurate representation of that into our sitting rooms in the special World In Action *Mrs. Thatcher's Billion.*

Television can claim dreadfully fe wof its own techoiques in journalism, virtually all its methods have been borrowed, some rather unsuccessfully, from newspapers or radio. But the technique of scrupulous reconstruction based on pooled "lobby" briefings from leadiog journalists which has been developed by Brian Lapplog and Norma Percy, used here for only the fourth time in as many years, is a genuine innovation aod an impressive one.

You can be pretty sure that oo the day they or their researchers (on thia occaaion Clare Lasko and David Ash) made a mistake and put the wrong words into a prime minister's mouth the balloon would go up and we should never hear the last of it from the politicians. So far only the converse has occurred, with surprised ministers remarking on the amazing accuracy of the results; on this occasion the chairman Jack Lynch (the real Mr. Lynch) remarked on screen that the reconstruction was "very accurate aod faithful to what happened."

Just as significaot for the viewer: with The Economist'a Sarah Hogg steadily merging into the very persona of Mrs. Thatcher as she demanded her money back, it was engrossing viewing; more than can he said for the classic "Yes I did, No you did'nt" bickeriog on precisely the same subject between Messrs Heath and Shore which was being broadcast simultaneously on *Panorama.*

Covent Garden

The Rake's Progress

by ANDREW CLEMENTS

Elijah Moshinsky's production of *The Rake's Progress*, intelligent and affectionate, has been brought back to the Royal Opera House eight months after its initial performances. Much of the cast remains the same. Robert Tear's Tom Rakewell—a look-alike to the young W. H. Auden, though the casually dangled cigarette is more suggestive than the side-parted blond hair—is boldly sung and generally well acted. He is too truculent, perhaps, at the opentog, but gains perspective and sympathy in the brothel scene; thereafter he holds the true focus of the action, assisted by lucid presentation.

Patricia Johnson's Baba lacks some essential flamboyance and deals uncertainly with the patter of the doggerel; as Truelove, Robert Lloyd is sonorous, but stiff and two-dimensional. John Dobson's Auctioneer remains a splendid cameo.

Though familiar from the Glyndebourne production, Felicity Lott is new to Covent Garden. Her Anne Truelove transfers well to this conception, in which straightforward characterisation is rendered ambiguous. She lacks simple naivity and concomitante sentimentality, and her aria of decision in the first Act and her final lullaby to Tom represent the opposite poles, the first all intelligence and responsibility, the second in which love has its final despairing fling. Both are beautifully, effectingly sung.

Donald MacIntyre's failure as Nick Shadow to engage attention to dominate the stage when the scenario demands it, is the most disappoioting aspect of this revival. His diction is damagingly suspect; he begins efficiently enough but as the opera develops and distinctions between recitative and arioso are blurred, he loses focus and articulation. Much of the crucial graveyard confrontation must he taken on trust.

Maurits Sillem has taken over the musical direction from Colin Davis to no great distinctioo, neglecting rhythmic niceties and leaving wind phrasing to fend for itself. The choral work could have been tidier on Monday evening, though coherence improved through the perfarmance.

It remains, none the less, an impressive, rewarding revival. Moshinsky's direction leaves few ends untied, tidies up corners of the libretto, and adds his own symmetries here and there: the boat in which Anne arrives in the first scene is a neat counterpoint to the boat about which she sings when soothing the insane Rakewell at the end; the snatch of a song-and-dance routine before the marriage is both a brilliant throw-away joke and a useful preparation for the difficult, debunking epilogue. His ability to control crowd scenes, to preserve the mai nsense of the action while the stage is being crammed with detail, is apparent in the brothel an dal the auction. It is a production that repays careful scrutiny.

Coliseum

Metamorphoses

by CLEMENT CRISP

Geoffrey Cauley's is a clear and individual choreographic voice. You do not mistake his ballets for anyone else's; their dramas—dynamic as much as emotional—are worked out against stripped-bare settings, which Cauley often devises himself (he has a painter's eye for the undecorated essential).

His career began in the late '60s, where his first ballets were cool, potent creations for the Royal Ballet's Touring company, which John Field directed. Since then he has worked mainly in Zurich and Florence, his *Last of Three* for Northern Ballet Theatre last year representing his first ballet in Britain for nearly a decade. With John Field now at the head of Festival Ballet, Cauley's welcome return haa been made with his *Metamorphoses* (originally seen in Florence) given its first London performance on Mooday night.

Caoley's theme is the constant flux of the dancer's life, of dance form itself as it evolves in passages of choreography, of changes in emotional awareness, and the process of maturing implicit in all these matters. He has designed the ballet in a characteristically austere; blanched version of a dance studio, filled with amber light, and with vast photographic projections of bodies glowing warmly on the studio walls.

Patricia Ruaone, in gleaming fleshings, is the central figure. Her movements establish a choreographic cell—a curling, almost Grahamesque sequence—which is amplified by 12 girls, clad io loog silken skirts, whose movement enhances the choreography as much as do the skirts in Martha Graham daoces. The girls are like echoes, reverberations of Ruanne'a dances, and also aspects of her work and life. A young man, the excellent Matz Skoog, appears. He seems an episode in her past, which she also contemplates through the dancing of Caroline Humpston and Nigel Burgoine.

The development of the choreography is always enhanced by the skill with which Cauley manoeuvres his cast: they seem dream-like figures caught in the amber of light and time. The only problem of the piece is that although Richard Strauss's *Metamorphoses* for string orchestra provides the right intellectual stimulus for Cauley, in that it deals with some of the technical problems which he tackles, it is a score of clogged textures, aod it affords too little dynamic impetus for his writing.

There resulted, for me, a feeling that at times Cauley waa trying to impel the music along by every technical means at his command, lest the dances get trapped io a Sargasso of matted string writing.

Metamorphoses is a fascinating, allusive creation none the less; and Cauley's return to the British ballet scene is a matter for pleasure.

Charlie Drake as Ubu

Jeannetta Cochrane

Ubu

by B. A. YOUNG

Little remains of Jarry's revolutionary play but the proper names and the outline of the plot. Fred Ubu is now a shop steward at Dagenham. His wife, without motive, tempts him to become King of Poland, and he goes back four centuries in a time-machine that looks like a lift. His subsequent adventures, charted by Spike Milligan with help from four more hands, Charlie Drake (who plays Ubu), Charles Marowitz (who directs), Chris Miller and C. J. Allen, are roughly in the vein of the Goons, though not one-tenth as funny, and decorated with a plethora of stale music-hall jokes which we are supposed to groan at, rather than laugh.

Sample: there was this man arrested for having it off under Becher's Brook, and he asked for 14 other fences to be taken into consideration.

The evening seemed to me almost uniquely tedious. I hardly laughed at all. What am I saying? I didn't laugh once. Charlie Drake makes a listless, colourless little Ubu in his smart black-and-gold slashed doublet and hose, with a balloon floating from his crown. He throws away the last two or three words of each line as if he didn't care whether we bear them or not — a courtesy on his part, it may be. No one else offers anything in the way of a performance, unless you count as a performance the kind of knockabout you might see in a students' end-of-term romp, though Claire Davenport as a mountainous Mère Ubu is at least memorable.

There are three designers, Jeeda Barford, Charlotte Hampston and Kim Kenny, and between them they have turned out one or two nice backcloths to taka our mind off the comedy. Malcolm Sircom hangs away happily at the piano for tha songs, by himself and Mr. Milligan.

Grand Theatre, Leeds

Nabucco

Last of the three productions in the current English National Opara North season at Leeds, Verdi's *Nabucco* is sung in Italian. Little is added by the oddly husky tape-recorded voice of Patrick Magee delivering, in English, the biblical quotations which adorn Verdi's score. What makes the story vivid is the imaginative and daring stage production by Steven Pimlott, with scenery by Stefan Lazaridis. Nothing is more striking than the first entry of Nabucco (Nebuchadnezzar) himself — clothed and made-up as an image of terror, backed by a forest of impaled heads, surrounded by helmeted guards and illuminated by red spotlights visibly operated from four towers at the corners of the open stage.

Shouts, screams, moans and sighs supplement the singing, in a way calculated to scandalise those who come to opera through the sterilised purity of the gramophone record. To others, Mr. Pimlott's approach works with almost complate success through the final fall of the Babylonian idol is clumsy. The force and sonority of orchestral and choral tone achieved by the conducting of Elgar Howarth (a welcome newcomer to opera) add to the intense experience.

The opera becomes, as it should be, not an encounter of voices but a conflict of peoples and beliefs. With considerable restraint Mr. Howarth keeps the underlying sadness of the Hebrews' chorus of exile, "Va pensiero," refusing to make a juicy meal of it. The Babylonians receive no less careful attention.

The sole non-British soloist is the Belgian baritone Camillo Meghor, lending a fine presence to the title-role. The voice is sympathetic and stylish, though sometimes inclined to wobble. John Tranter, the young bass who has been steadily building his reputation, was at first a little weak for the High Priest of tha Hebrews, Zaccaria, but developed a noble power in latar acts. In the crucial role of Abigaille, the King's supposed elder daughter, Milla Andrew sang sometimes beautifully, sometimes with unwelcome barshness, but never for a moment missed the violent passion of the character. Adrian Martin and Helen Walker capably sang Ismaele and Fenena.

It is a production which should be also brought into the repertory of the sister-company at the London Coliseum. Young Steven Pimlott seems set to stir and enrich our notions of operatic staging in something of the same way as Elijah Moshinsky has been doing at Covent Garden.

ARTHUR JACOBS

Elizabeth Hall

Sequenze

Luciano Berio is a composer of modest performing pretensions—though actually no mean pianist, and a sensitive accompanist—who has taken advantage of the new generation of virtuosos, culling from their discoveries what he needed for his music, and setting aside the rest. His list of eight *Sequenze* for different solo instruments, begun in 1958 most recently added to in 1976 (though the list is by oo means closed), is the distilled essence of this approach; and it was a splendid idea to hring them together on Monday night into a single programme, all but twn of them performed by their dedicatees.

As a sequence they work very well; and as music they work beautifully. Each *Sequenza* is a short (between five and 11 minutes) but deceptive, richly-worked virtuoso Etude which repays close study—and invitation not merely to consider new instrumental techniques, but to listen to a monody as if it were not a moody, but a far more complex piece of polyphony; to listen deep into the texture of a single line. Some are already well known to London; No. 5 for oboe, written for and much championed by Heinz Holliger; Cathy Berberian's marvellous third *Sequenza* for voice; the humorous No. 5 for trombone. But it was fascinating to discover new layers, new dimensions and colours even in those familiar *Sequenze*; and to find in others—notably those for harp and violin—such a wealth of subtle reference, close working, and fine sparkling colour.

DOMINIC GILL

FINANCIAL TIMES
BRACKEN HOUSE, CANNON STREET, LONDON EC4P 4BY
Telegrams: Finantimo, London PS4. Telex: 8954871, 883897
Telephone: 01-248 8000
Wednesday April 2 1980

Africa needs the West

THE ONE-DAY meeting in Lusaka yesterday of nine black African leaders marks an important shift in their approach to South Africa. Although the group of southern African states made clear their continued opposition to the apartheid policies of their powerful neighbour, it was apparent that none of them had the heart for immediate confrontation. This display of realism has been forced on them by harsh economic realities. Ironically, the long struggle to replace the white minority regime in Salisbury has considerably increased their dependence on Pretoria. While southern Africa depends on South Africa's railways, ports, technicians, and food, it is in no position to provoke an open conflict.

Economic wounds

The aim of yesterday's summit was to encourage greater co-operation between black African States in order to wean the area off its dependence on South Africa. Countries like Zambia and Mozambique have suffered material damage from the conflict in Rhodesia and they need time to heal their economic wounds. Mr. Robert Mugabe, Rhodesia's prime minister designate, has made it clear that he will continue trading with the republic to help his country recover from the ravages of war.

But the longer term goal of the talks was to make black States in southern Africa strong enough to force change in South Africa—either peacefully or violently. The feeling against apartheid within black Africa—still runs very high. Although even the most hardline States such as Nigeria and Tanzania might be prepared to delay confrontation until their fellow African countries are ready, they will not abandon the fight.

Dilemma

But in order to achieve the desired economic strength, Africa needs the West. The loud appeals for more aid which have been coming from the meeting pose a curious dilemma for the western aid donors. The short term advantage for the West is that giving more aid will weaken relations with the eastern bloc in such countries as Mozambique. But the end result of the aid might be to create a black Africa strong enough to take on Pretoria with all the implications this would have for western economies in terms of South Africa's mineral reserves and western investment.

South Africa is well aware of this. Pretoria knows that its own survival is guaranteed as long as it remains the strongman in a southern Africa politically divided and economically weak. Although the idea of a "constellation" of southern African States under South African tutelage was buried beneath a welter of black African indignation, Pretoria still cherishes the notion that its own economic strength will ensure its survival.

However, on the political front, the inevitability of fresh elections in Namibia makes things look bleaker for South Africa, especially as there is a good chance that the guerrilla group Swapo will take a large slice of the vote even if it does not win complete control. Mr. Robert Mugabe's sweeping victory in Rhodesia has badly dented South Africa's confidence that a sympathetic black African government can be ushered into power in Windhoek.

Energy costs

It would be unwise, though, to suppose that the intentions of the black African States at the Luska summit can necessarily be translated into action. A lot depends on the ability of the countries to put their own economic houses in order—something many of them have conspicuously failed to do in the past. The parlous state of many black African economies will come under the spotlight later this month when the heads of state of the Organisation fo African Unity meet in Lagos to discuss purely economic matters.

What the heads of state will find when they come to look at the figures is that many member countries are caught in the same vice of soaring energy costs and falling world prices for their primary export commodities. For many of these the difficulties are compounded by bureaucratic inefficiency and corruption. Until they can ensure good economic management at home, their high hopes of regional co-operation and determination to right the wrongs of fellow Africans are bound to remain unfulfilled.

Improving the postal service

THE CATALOGUE of failures presented by the Monopolies Commission in its report on the London postal service would be horrifying if it were not so familiar. Unfortunately the public is all too well aware of the steady deterioration in the quality of the service over the past ten years. Both the Government and the Post Office's own senior managers know that the causes of this decline lie in the sort of examples of union obstructiveness, local management weakness and short-sighted planning, which the Monopolies Commission has ably analysed.

Indeed, what is most striking about the Commission's report is that it is so familiar: over the past ten years three other official bodies have investigated the postal service and put forward much the same proposals for improved working practices, local productivity deals and mechanisation. Meanwhile, productivity in London has fallen by at least 20 per cent, even ignoring the decline in the quality of services.

Little change

In view of this dismal record of non-achievement, it is fitting that the Monopolies Commission should conclude its excellent report on a decidedly downbeat note, by pointing out "how little change has resulted from the repeated recommendations" of earlier inquiries. Every one of the Commission's 45 recommendations about specific reforms seems reasonable, constructive and worth pursuing further. But the Commission recognises that its proposals are worthless unless "the Post Office makes, and the Secretary of State ensures that it makes, a determined and lasting effort to carry them out."

It is at this point that the real dilemmas for the Government and for the senior management of the Post Office arise. The issues are highly relevant to several other nationalised industries which enjoy total or partial monopolies in their markets. The main achievement of the Monopolies Commission's present report, together with forthcoming reports on other nationalised industries, may be to focus Government thinking on the regulation of State monopolies in general.

On the one hand, it is now generally agreed that nationalised industries should, as far as possible, be freed from detailed government interference in their commercial activities. Over the years successive governments have been creating a framework of financial targets designed to provide the managers of State industries with guidelines, consistent with the public interest, on which to base their corporate planning, while at the same time preserving an arms-length relationship with the government. Though there has been much back-sliding, no government has abandoned the principle of non-intervention.

Yet, the Monopolies Commission has found that it "cannot avoid the conclusion that the various existing controls have had very little success in making the Post Office more efficient." Because it is a monopoly, the Post Office can raise its prices with almost complete impunity in order to meet its financial target (a 2 per cent return on turnover). Thus the commission suggests that there may be no alternative to detailed Government supervision.

But in the case of the Post Office, there is an additional performance target: to maintain the real unit cost of a letter over the five years from 1977-78. The Post Office has met this target over the past two years, but only because the base was set after a decade of steadily rising unit costs and steadily declining productivity. Furthermore, while the real price of the letter service has been maintained, its quality has been allowed to decline.

Targets

The Monopolies Commission's report provides strong evidence that this performance target ought to be tightened. The Post Office should be expected to reduce the real cost of letters or to improve the quality of the service according to clearly measurable criteria. This performance target should be given equal weight with the financial target by the management in its corporate planning. Only if it fails to meet its performance targets should the postal service be subjected to more detailed government supervision. But the threat of this as an ultimate sanction should help to concentrate the minds of both the management and the workers.

LESSONS AND A LEGACY FROM THE STRIKE

Getting steel back to shape

BY ROY HODSON

STRONG NERVES, boundless energy, and lots of luck will be the three qualities most needed by the British Steel Corporation's managers in the months following the strike if the business is to be restored as a going concern.

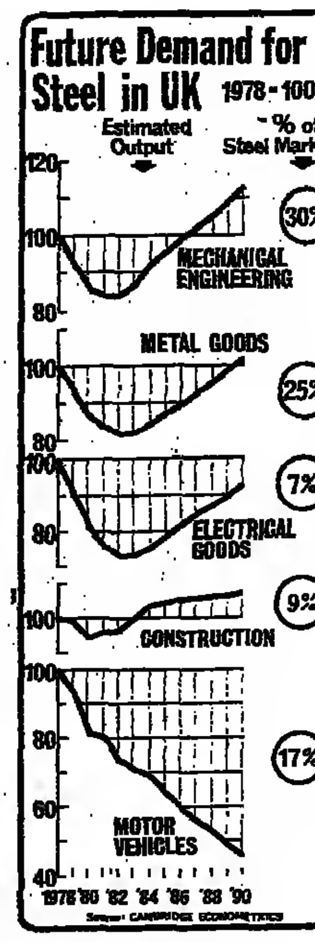
It has been losing £17m a week during the strike and was losing £7m a week for more than a year before.

Certainly the energy will be there to press ahead with iron and steelmaking in the most efficien forms possible from the range of plant available. The luck factor is outside mortal control. The remaining, and important, question is whether nerves will hold.

The fourth largest steel producer in the Western world has been out of the market for three months. Is competitors have not been idle during that time. Other steelmakers have catered for the overseas business that normally British Steel would have done in a January-March period — business worth more than £100m.

On the home front imports of steel have amounted roughly to £300m in value during the strike in spite of picketing attempts at the ports.

Some foreign steel suppliers have respected British Steel's plight and shown restraint in their trading with British companies. Indeed, some have channelled steel imports through the agency of the British Steel Corporation. But others have leapt in with undisguised exuberance to fill the vacuum. A large shipment from Brazil was a glaring example of that.



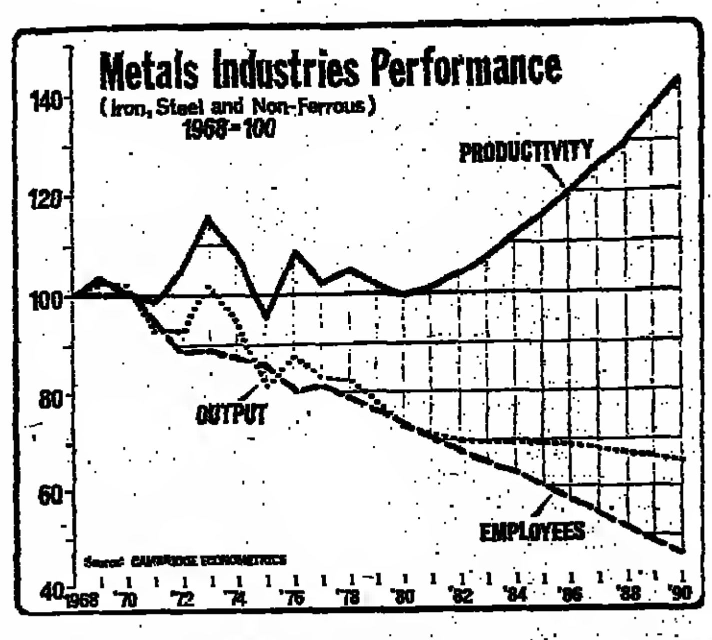
Foreign steelmakers with established shares of the British market have consolidated their positions, demonstrating the quality of their products and the competitiveness of their prices. Other companies which previously had only a toehold in the British market have entrenched themselves more firmly.

In a world with the capacity to make at least 100m tonnes of steel more than it needs this year, not even the fourth largest steelmaker is owed a living. So British Steel is returning to production quite uncertain of the amount of business it can recapture at home and abroad after three months' absence from the market.

The corporation's traditional sales strategy for the home market has been to dominate in certain products with much higher market shares (sometimes higher than 90 per cent) than other Common Market producers expect to hold in their home markets. British Steel has been helped in that policy by having an island market. The cost of shipping some forms of steel by sea is high. The insularity of the British market has also enabled British Steel to charge between 10 per cent and 15 per cent more for its steel than ruling Continental prices.

But for British Steel to continue with two planks of strategy, market dominance and higher-than-average prices, after the strike will call for strong nerves indeed.

Mr. Gordon Sambrook, British Steel's commercial director, is a fighter by nature and the most aggressive salesman the corporation has had in its 12 years. His inclination will be to struggle to win back every tonne of business the corporation had in the home market before the strike. (Incidentally, a board decision has already been taken that British Steel's export business should be trimmed from 3m tonnes a year



to under 2m tonnes a year as old steelmaking plants are phased out).

But Mr. Sambrook himself estimates that British Steel's market share could be down by 10-12 per cent during this year because of the strike. That will place British Steel in the invidious position of holding less than half of the home market in total.

From such an exposed position will the nationalised industry risk eroding its market share further by trying to maintain a price differential between Britain and Europe? And, to complicate the equation, will it be worth maintaining some expensive-to-run steel plant in production simply to win back dominant positions in certain areas of the home market?

British Steel will enjoy a honeymoon period after getting back into production as stockholders and steel-using industries rebuild their inventories. But it is likely to be a brief honeymoon. The signs are that British industry has enjoyed a positive benefit from the steel strike by learning to live with lower steel stocks than it ever thought possible in the past. For the last month the Confederation of British Industry has been estimating the level of stocks as up to four weeks of normal industry steel needs. Before the strike, stocks touched 18 weeks supply. They are unlikely to reach those levels again.

The move towards lower stocks is likely to cost British Steel more than £200m of business in the coming year. Even more worrying for the corporation is the underlying downtrend in demand for steel in Britain.

Cambridge Econometrics has looked again at the metal-using industry using its model of the industrial economy. The conclusions are shown in the charts with this article. A continuing decline in output until 1981-82 is foreseen in industries accounting for nearly 90 per cent of stele usage in Britain. Four industries (mechanical engineering, metal goods, electrical goods and construction) accounting for more than 70 per cent of the industrial steel demand are expected to begin to expand production again after that.

No such recovery is foreseen for the motor vehicle industry which now represents 17 per cent of the steel market. Its decline is expected to continue right through the 1980s.

The corporation's pre-strike strategy for restructuring the industry involved cutting capacity from 21.5m liquid tonnes a year to 15m liquid tonnes a year and reducing the work force from 152,000 to 100,000. Latent capacity in the remaining iron and steel plants (which would be unmanned but readily available) was to be between 3m and 4m tonnes.

The poor outlook for home steel demand coupled with the partial withdrawal from foreign markets now suggests even that strategy will not be sufficiently radical to enable British Steel to make profits in the future.

If the fight to win back home market share is less than a complete success during the next 12 months further cuts in British Steel are inevitable.

Government's strategy is vindicated

By CHRISTIAN TYLER, Labour Editor

IF THERE is any victor in the 13-week-long national steel strike, it is the non-combatant Government. While the British Steel Corporation and the unions fought, Ministers surveyed the battle from the hilltop. It became imperative for the Tories, facing the first industrial upheaval of their administration, to preserve ideological purity by refusing to intervene and to demonstrate to employers and unions everywhere that the Government's financial constraints could not be broken, however painful the consequences for bank balances, jobs and workers' living standards.

It is a measure of the Government's determination that the political character of the contest was quickly defused when the unions realised that the £450m cash limit on British Steel would be neither bent nor broken. Gradually the calls for Government intervention — at least as lender of last resort — died away. It is to Mrs. Thatcher's credit that she was strong enough to risk the charge of having intervened by listening to the unions' case one morning in Downing Street towards the end of January. That non-interventionist intervention helped pave the way for the first — but unsuccessful — resumption of negotiations.

For the unions the bogey has been Sir Keith Joseph, Industry Secretary, who is suspected of having stifled the corporation's already limited ability to effect an honourable settlement even before the collision occurred. His bloodless, text-book, recitation of the economic verities—consistent and genuine as it was—did much to harden feelings on the picket lines.

BSCs tactical error

Whatever the political constraints, British Steel made the error of demanding too much too quickly. Its offer of 2 per cent at national level and up to 10 per cent in local bargaining was a slap in the face of the trade union. It came only three days after Mr. Bob Scholey, British Steel's chief executive, had told the unions he wanted manpower in heavy steel cut by a third—over 50,000 jobs—by August this year.

In fact the first national offer was not 2 per cent but zero. The 2 per cent was the cost of fulfilling a promise made in the previous wage deal to consolidate pay supplements into basic rates.

British Steel had concluded that this year's earnings increase had to be paid for out of negotiated job losses and more efficient working down in the plants. But it underestimated the character of Mr. Bill Sirs, general secretary of the dominant Iron and Steel Trades Confederation, and the militancy of the men who stood behind him. Disillusioned, demoralised, and fearful for their jobs, they blamed management incompetence for British Steel's financial difficulties and were determined not to pay for the mistakes. Mr. Sirs and his new-found ally, Mr. Hector Smith of the small but powerful National Union of Blastfurnacemen, accepted the principle of a formal two-tier bargain—and indeed the paramount need to put their industry to rights. But they wanted a "reasonable" guaranteed national increase to get things moving as well as to fulfil their function as chief negotiators for 100,000 members.

What has British Steel won? It has preserved the principle that the whole pay rise must be earned through higher productivity. It has maintained the point that a minimum bonus payment is conditional on the signing of local deals. A commitment to joint union bargaining at the works has been secured, and there is the prospect of considerable voluntary job losses in plants otherwise unaffected by closure plans. Above all, the corporation has emerged with an arbitrated settlement only 1½ per cent (about £17m) more expensive than its own final offer — made nearly two months ago.

British Steel's greatest penalty, Mr. Scholey has said, is that it can no longer claim to be one of Britain's most basic industries.

But apart from the commercial and financial loss (about £150m from the strike alone), British Steel has redoubled its employees' suspicions about the compentence of its top management, both as negotiators and as sellers of steel. Despite having all the logic on its side, British Steel failed to win the public relations battle and its accounting procedures have been thrown open to doubt. If the strike exacerbated divisions on the union side, so did it within the portals of Grosvenor Place — not so much between the temperamentally incompatible Mr. Scholey and Sir Charles Villers, his chairman, but between the industrial relations practitioners and the chief executive.

Prediction fulfilled

As for the two main unions, they have fulfilled the prediction of Mr. Nicholas Ridley, the Tory MP who in a private report in 1978 ranked steelworkers as among those public sector employees least able to win a confrontation with the Government.

Even allowing for the fact that the ISTC gave three weeks' notice of strike—enabling consumers to add to already large stockpiles of steel—it has taken longer than anyone would have guessed for a national stoppage to bit. The half-heartedness of the blockade by other trade unionists, in the UK and abroad, compounded this tactical weakness.

Almost from the start, Mr. Sirs and Mr. Smith were harried by leaders of some of the smaller British Steel unions officials for whom steel is only one part of life and who resent Mr. Sirs' imperious style of leadership. Powerless to affect the result, yet appalled at the way things were going, they justified their breaking of the ranks as necessary to "save Bill from himself."

The ISTC and NUB have emerged from the longest strike for decades with a face-saving third-party settlement—neither a a victory, nor a defeat. Their members have lost £1,300 in wages on average which it will take years to recover, yet scarcely a voice was raised against the action. The Government and British Steel must now ponder whether the strike was the last throw of a demoralised workforce, or a dress rehearsal for next time.

MEN AND MATTERS

Ice makes cream for academia

The 90 academics who sat down in Cambridge yesterday for an earnest three-day conference on the Use of Icebergs perhaps chose an unfortunate date for hauling the subject into the realms of scientific respectability.

Yet the idea of towing icebergs to the arid lands of the world and melting them down for fresh water supplies (icebergs consist, not of sea-water, but of compacted snow) is not new, and has obvious and increasing attractions for countries like Saudi Arabia because of the high cost of desalination.

So the conference has a certain practical interest, not least for the academics who stand to make a steady living from the massive preliminary research involved.

One man there who is convinced it all makes sense, and who has already put up substantial funds, is Prince Mohammed bin Faisal bin Abdul-Aziz, Princeton educated son of the late King Faisal of Saudi Arabia. An enthusiast of Islamic banking, this slightly ascetic figure combines a near-messianic zeal for icebergs with a cool grasp of its practicalities.

His Paris company Iceberg International floated through these columns a year or so ago, and now as then the prince is looking for a firm order, not to mention $2bn, after which he would be ready to tow his first full-scale iceberg within two years. He envisages collecting a lump of ice 5 km to 10 km square, towing it with one vast tug and the help of some sails into the Indian Ocean currents, then moving it to the Arabian Sea. There is would be cut up with jets of hot sea water, and the more manageable pieces moved to such places as Jeddah and Damman.

Once proved, he thinks, the technique could meet the needs of Australia, India, East Africa, and indeed anywhere thirsty with a coastline.

The academics nod wisely at all this and talk of at least three or four years of steady research before it would be worth making a trial tow.

"Good Lord, it's a *Penny Black!*"

Trump card

Not content with introducing the Chinese to Coca-Cola, Western entrepreneurs are now busy slipping plastic money under what remains of the Bamboo Curtain. Mastercard in New York has been crowing to me about its success in penetrating Shanghai — although, when pressed, a spokesman admitted acceptance was restricted to "major hotels, and there are only two or three," cash advances from the Bank of China, and the Friendship Store. Next stop, says MasterCard, is Peking.

Hard on MasterCard's heels are many others, not least among them the giant Visa organisation. "All Visa cards are accepted in China without any discrimination." I was told by Visa's office in London. No doubt the affiliated Barclaycard goes down well at the Friendship Store, but how about Visa's latest affiliate, the Taiwan Credit Card Company?" All Visa cards are accepted in China without any discrimination," repeated the man from Visa a trifle tersely.

Silly question

A friend trying to manoeuvre his car into a parking space in Andorra last week spotted a policeman coming towards him. "Good morning, officer," he said in his best French. "Is it that it is all right to park here?" "No sir," said the policeman. "You are joking," said my friend. "There are cars parked all along this street." "That is true," said the policeman. "But they didn't ask."

Paddy come home

"I have no doubt there are Englishmen working in Ireland who have a feeling they would like to get back to the ould sod over here," says Gerry Lowe. "Well, that's the sort of feeling we are looking for among the Irish in Britain." He is, however, looking for more than simple nostalgia.

Field contact officer with the Shannon Free Airport Development Company, Lowe is in London this week courting entrepreneurs and skilled men to take their businesses and expertise back to the west of Ireland

Those with the right qualities—the essential one is that they are Irish — succumbing to his blandishments, can expect to return to all the comforts the Government can supply in the counties of Clare, Limerick, and Tipperary.

Grants covering up to 50 per cent of repatriates' fixed asset investment are on offer, along with cheap rents in new factories, free training and tax concessions on export profits. "Holding them by the hand is important," says industrial projects man Pat Hynes. "The people we have in mind will probably have been in Britain for ten or 15 years and they will be going back to a strange environment."

By yesterday lunchtime, only 24 hours into the entrepreneur hunt, more than 30 inquiries had been received at the company's temporary camp in the Tara Hotel, and a dozen success stories had been logged.

Off-key

It seems that, in my well-meant efforts to stir interest in the London Sinfonietta's attempt to raise £100,000 backing for its 1981 Stravinsky Festival, I was overwhelmed by an attack of foot-in-mouth disease. Trouble with raising money and "sorry but . . ." letters have been experienced only in fund raising for the orchestra's general aim of popularising 20th century music.

As shown by the success of the 1979 Stravinsky gala, for which £60,000-worth of backing was raised in only a few months, this composer's music is highly popular. Since work has only recently started on garnering the funds for the 1981 affair, and has already rounded up £10,000, I may have overdone the gloom.

Once aloof

Proof that the City's jungle telegraph is as well connected as ever, and confirmation of my worst fears about the gullibility of some of its users as well as the appalling standard of wit in the Stock Exchange comes from a prankster broker who spent yesterday morning whispering in carefully selected ears.

"You want to have a bit of . . ." he muttered, adding the name of a company variously described as a tea planter or an Indonesian mining house. "We had dozens of calls," he told me, choking with mirth. "Institutions—you know, the usual mix—were phoning in, some wanting thousands of shares in Looflirpa. And Bisgond Bishop," he giggled, "even had it on their features board." End of Joke.

New powers to enforce competition

BY DAVID CHURCHILL, Consumer Affairs Correspondent

BRITISH INDUSTRY may get a far from pleasant surprise once the Government's new Competition Bill, which is to become law tins week, is fully implemented. It gives the Office of Fair Trading the right to investigate the trading practices of almost any compeny which it suspects may be operating in a way calculated to prevent or distort competition.

The Monopolies and Mergers Commission would be esked to determine if any anti-competitive practice is against the public interest end, if so, would have the power to recommend that the practice be abandoned. The Secretary of State for Trade will have extensive powers—including powers to order a company to cut its prices—to enforce compliance with the Commission's recommendations.

Abont 20 companles are at present on the OFT's short list for potential investigation. Once certain enabling orders are laid before Parliament, abont four companies will be in the first batch for investigation. The final selection has not yet been made and is unlikely to be announced for several weeks. But some clues to the OFT's current thinking have already hecome clear.

Parts of the car industry are a prime target for inquiry especially component distributors and transporters of finished cars to retail showrooms.

Manufacturers of consumer goods such as video and audio equipment, watches, and sports goods, which are allegedly refusing to supply cut-price retailers—including the Tesco and Argos store groups — may also be among the first to be probed.

Other sectors known to be under examination inelnde suppliers of glasses through opticians. But virtually all sectors of industry are being looked at. It is likely, however, that the OFT will pick one of the market leaders in an industry to investigate, even if several companies are carrying out en allegedly anti-competitive practice. It also seems likely—although this hes yet to be decided — that only companiea with a turnover of more than £5m a year or with more than a quarter of the market will be lieble to investigation. The same thresholds apply to monopoly investigations.

In general, anti-competitive practices likely to prompt an investigation include pricing policies such as "predatory" pricing intended to head off potential competitors or to force existing competitors out of lhe market. Tie-in sales, where one product cannot be bought without another, are also likely to be investigated, as is "full-line forcing" when a manufaclurer insists on his customers taking a wide range of his company's products. Other potentially anli-competitive practices Include "loyalty" discounts or rebates designed to discourage customers from seeking alternetive sources of supply.

Rail probe

The new Competition Bill also covers the nationalised Industries and the commercial activities of local anthorities. In fact, the Government has already announced that British Rail's south-east commuter services will be the first to be probed by the Monopolies Commission onder the new law. The OFT is also considering investigating the "unfair trading advantages" of High Street electricity board showrooms. For instance, there are allegations that revenue from the sale of power subsidises the premises used for sales of equipment.

The legislation is seen as being complementary to existing competition policy, which includes monopoly and merger laws and the control of restrictive trade practices and resale price maintenance. An internal Whitehall committee suggested in a report published early last year that the existing laws did not provide powers to investigate possible anti-competitive behaviour by single companies. Investigations under the present monopoly laws are restricted to the supply of goods or services by *all* companies in an industry. As a result, the Monopolies Commission can take at least three years to publish its report. The new single-company investigalions are expected to take only aix months.

The impelus for bringing in lhe new Competition Bill came with the change of Government last May. The new Conservotive government, committed to abolishing the Price Commission, wanted to demonstrale its helief in the merita of business competition as part of its anti-inflation weapons. The Competition Bill was to have been law much sooner, hnt drafting problems and lhe pressure on parliamentary time delayed it. To help sneed its implementatioo — and to avold becoming too Inflexihle — the new legislation deliberately does not define exactly what practices are considered anti-competitive.

Ashley Ashwood

Mrs. Sally Oppenheim: the veto is exceptional.

The complete investigation process, involving both the OFT and the Monopolies Commission, will take at least 10 months from start to finish and possibly as long as 15 months.

Even before formal investigationa start, the OFT will have been continuously looking for potentiol companies to investigate. Unlike the old Price Commission, which required companies to notify it of price rises, the OFT will not automatically he given information by companies. Instead, it has to rely on information from various sources — companies, trade associations, MPs, media and members of the public—either to lodge complaints, or to give details of possible anti-competitive practices.

The OFT will carry out preliminary inquiries about the facts and circumstances surrouoding the complaint. It also wishes to ensure that the company complained ahout ia given ample opportunity to pnt its case at an early stage. After this informal preliminary stage, the OFT's first formal step will be to issue a notice to the company under investigation setting out the precise lerms of reference. The OFT cannot extend them at a later stage without an entirely new investigation being started.

The OFT has a duty to publicise the fact that it is making an investigation — including advertising for information—as well as a duty to inform the Trade Secretary. He bas the power, within 14 days of receiving the notice, nf vetoing the lovestigation. However, Mrs. Sally Oppeoheim, Consmner Affairs Minister, made clear in Parliament that a veto would he used in exceptional circumstances only.

Assuming there is no veto the OFT has to complete its investigation as soon as possible, although it is unlikely to take less than three months. In practice a small team of, say, three officials will be set up, from a pool of around 30 responsible for such investigations. One of the team will he liaison officer with the company concerned, to avoid any waste of time and breakdown of communications. Outside consultanta will not normally be employed, unless special technical problems arise.

As the OFT completes its report, it will check the factual parts with the company to ensure accuracy. But the conclusions will not be discussed with the company although, as a matter of courtesy, they will usuelly be made available to the company some 24 hours before publication.

The OFT report is required to describe in detail the particular course of conduct, specifying the persons, goods or services concerned, and then stating, with reasons, wbether lbe activity is anti-competitive or not. The requirement to give reasons is a departure from the OFT's usual silence when recommending monopoly investigations. But the OFT does not have to decide whether or noi the practice investigated is against the public interest:—that decision is left to the Monopolies Commission.

There are three possible options in lbe OFT's report. If the practice is not anti-competitive, no further action follows. Even if it is fonnd to be anti-competitive, then the OFT may still decide that it does not need to he referred further to the Monopolies Commission. This may happen if the practice is of little accnnnt or has already been discontinued.

The third possibility is reference to the Commission. A reference cannot be made nntil at least four weeks after the report has been published. Nor may it be referred ooce eight weeks have elapsed (or 12 if the period is specially extended by the Traōe Secretary). During those one to two months after tbe report is published the OFT can respond to — but does not have to seek — any represeotations made hy the company concerned.

Companies may decide, rather than face further investigation, voluntarily to abandon the anti-competitive practice and give an undertaking to the OFT to this effect.

If no undertaking is offered, then a Commission investigation will almost certainly follow. If a company subsequently fails to keep to the undertaking, then the OFT can refer the case to the Commission without need for a new investigation.

When a company ia referred to the Commission, the OFT cannot extend the terms of reference from those originally laid down. But it can, in the light of experience, make it a narrower reference. The Secretary of State again has the right of veto within 14 days of the reference being made.

The Mooopolies Commission, with a larger investigation team than the OFT, will have to cover in greater detail much of the area already briefly probed by the OFT. It will have to confirm that the conduct described by the OFT actually took place within the previous year, and that it was anti-competitive. The Commission, however, is unlikely to contradict the OFT'a findings.

Public interest

The Commission comea into its own in having to take a view as to whether tbe anti-competitive practice operated — or might he expected to operate—against the public interest. In making up its mind, the Commission will take into account various factors. These include the need to promote effective competitioo; promoting tbe interests of consumers and other customers over prices; promoting lower costs and new tecbniques; maintaining a balanced distribution of industry end employment; and maintaining exports.

The crucial point is that tbere is not statotory assumption thet a practice which restricts competition is automatically against the public interest. It is up to the Monopolies Commission to decide if the harmful effects are outweighed by the beneficial effects in other areas. (Much the same applies to the Commission's examination of mergers.)

Tbe Commission has six months to complete its investigation although this can, on request, be extended hy the Trade Secretary to nine months. Judging hy its inahility in the pest to complete reports on time, the Commission is likely to need nine months for an investigation hefore it adjusts to the faster tempo of the new investigations

If after the six (or nine) months the commisston concludea that the practice referred to it does not operate against the public intereat, no further action will follow, aod neither the Trade Secretary nor OFT will he able to challenge the commission's conclusions. But if the practice is found to he against the public interest then the commission will recommend how it should he abandoned. The Trade Secretary will normally ask the OFT to seek an undertakiog from the company to implement the recommendations voluntarily. Sbould the company refuse, then the Trade Secretary can use his statutory powers to force the company to obey.

Once the OFT and Monopolies Commisslon become fully geared up for the new competition investigationa it is envisaged that the number of probes a year could total at least 30 which, would create a unique comprehensive study of limits to competition in British industry.

Letters to the Editor

Agricultural policy

From Mr. O. Colburn.

Sir,—The Government faces a dilemma in deciding food and agricultural policy. The cost of funding surplus production within the EEC accounts to a large extent for the size of the total contribution required from this country towards community funds. Yet if attempts are made to restrain ouptout by increases in commodity prices whihc are fixed at much lower levels than average European rates of inflation there is reason to believe that the British agricultrual industry will suffer more severely than most its competitors in Europe. Our rate of inflation is high, interest rates are high and the structure of British agriculture is such that a continued cost price squeeze is likely to have a more rapid effect on ontput in this country than elsewhere.

It is essential for the health of the whole economy that the present level of food production in this country should be maintained or improved. Not only is the agricultural industry an efficient user of resonrces but the spin-off int other sectors is of immense importance to our slow growth economy. If farmers cut costs and reduce output all the ancilliary industries will suffer and there will be further strain on the balance of payments.

The difficulty of paying for aurplus production within the EEC remains. It is unlikely to he alleviated quickly by any price squeeze that would be tolerable politically. In these circumstances there is a long term and a short term approach to the problem. In the long term it is important to understand that Europe is one of the most favourable areas of the world in whihc to produce the extra food that will be required within the next decade or two. Ther is need therefore for a vigorous effort to negotiate long term agreements for the supply of European food in exehange for other natural resources sueh as oil, minerals, timber and also perhaps for manufactured goods from some emerging countries.

It is important that short-term policies should meet three criteria. They should not affect long-term productive capacity, they should not increase unemployment, and they should not have adverse social affects in rural areas. Unduly onerous control of prices austained for long enough to reduce output in Europe would do each of these things in most countries. It seems possible, therefore, that solutions designed to directly restrain inputs into agriculture would ultimately be less costly, and that pricing policy should be sufficiently flexible not only to allow this to happen but also perhaps to make possible a small and gradual change in the post-war strategy for agriculture which has encouraged the replacement of people, who are plentiful, with cepital and energy, both of which are expensive and scarce.

By intself the soil of Europe is not capable of producing surplus food fo rthe present population. With the addition of oil via nitrgen, with proteins from scarce fish and from beans grown elsewhere, it can do so. It may be that the quickest, easiest and ultimately least co easiest and ultimately least costly way of reducing unwanted stocks of food would be for the Comission to purchase, or subsidise the non-producton of, a small percentage of surplus inputs rather than large quantities of surplus outpnts. Price increases for some commodities would he necessary to make this possible. There is reason to believe, bowever, that these would be less costly than the present system, if the contribution to total economic activity were to be taken into account.

O. H. Colhurn.
Crickley Barrow, Northleach, Nr. Cheltenham, Glos.

Index-linked pensions

From Mr. D. Blair.

Sir,—It is a matter for regret that so many correspondents seem to ignore reality in considering the question of index-linked pensions in the public sector.

Mr. Peter Platt (March 26) is the latest in a long line to assert that civil servants somehow pay for their own pension increases during their working lives. This is no more true than the alchemist's dream, otherwise insurance companies would he vigorously marketing fully index-linked pensions.

As civil service pensions are totally unfunded, Mr. Platt is wrong to have stated that civil aervants relied on the wise investment of penslon fund managers to offset some of the ravages of inflation. As for the assertion that civil servants receive "poor salaries in unrewarding Government service." one is left to contemplate what Mr. Kendall and his trades union colleagues have heen doing during the past decade or so.

Mr. Bankes-Jones in his letter of the aame date is guilty of a conion error and he should know better. The cost of a pension is simply not the amount pald out in the first year. His idea of a national insurance contribution rebate, the amount that would need to he clawed hack, using his example, is not £75,000 but more like £400,000, i.e., 40 per cent of the national insurance contrihutions paid by the employer in that year. Hia approach would be successful only if there were no subsequeot pension increases, for only then would the rebate diminish in future years.

It is unrealistic, however, to assume that inflation will disappear after the first year; thus the rebate would grow significantly from its initial 7.5 per cent level. It follows that, to avoid the build-up of a huge deficit, national insurance contributiona would need tn rise substentially to meet the bigher and higher rebates required to cover the cost of financing more index-linked pension increases—but isn't this where we came in?

D. Blair.
74, Church Lane, Loughton, Essex.

Northern College

From the Director, Sheffield Chamber of Commerce

Sir,—"Men and Matters," March 21, referred to the oppositio nto Northern College hy the Sheffield Chamber and on March 26 a reply by the principal i s published. May I clarify briefly the view of this Chamber?

This Chamber opposed the opening of Wentworth Castle as a college and believes it should be closed on the grounds of cost. It is far more expensive to maintain and the Northern College is far more expensive pe rstudent than wonld be the case in the colleges of further education or the polytechoic, where there is ample accommodation available.

The training of trade union officials is extremely important to industry and to the country. In our view, trade union officials and trainee managers sbould be trained together in the same college and attend the same lectures. This is also the view in the Russell report. Northern College has always refused to accept this principle and thus perpetuates the "us an dthem" syndrome.

It is important for both trade nnion and management trainees to live and mix with students of othe rdisciplines in a college environment.

The isolation, both physical and educational, of Northern College, and its policy against joint training ensures that training cannot he carried out effectively.

The one-year and two-year residential courses for "gateway and liberal atudies" which are (quote) "designed to meet the special needs with a view to making a major change" are totally unjustified. A ten-week course would be more than adequate.

We have never commented o nthe inclusion of Mr. Arthur Scargill on the council of management. We did, and we still do, protest that only one side of industry is represented. There should he a proper balance of trade unions, management and academics.

We strongly urge that Northern College be brought into the normal education organisation, either within the colleges of further education, or a polytechnic. It is unlikely to succeed or he acceptable to industry until this is done.

Douglas Iveson,
Sheffitеld Chamber of Commerce,
Commerce House,
Eorl Street,
Sheffield

A private landlord

From Mr. C. Jones

Sir,—The correspondence in your valued paper on the plight of the small landlord prompts me to write to you on my own experience. I am a 75 year-old pensioner, living on my own on a pension of £23.52 e week. It so happens that I own just one house, epart from the one in which I live, which back in 1940 was let at £1 a week. That house which was built in 1938, is a semi detached of six rooms, tiled bathroom, toilet etc., and with every amenity. It is most pleasantly situated with a local park behind, with beautiful trees etc. The rent is subject to review by a rent officer and at the present time I have a rent of £8.25. Later in the year (in November) I am entitled to an increase of 66p a week. On the basis of the changed value of money I think I should get a rent of £17-£20 a week.

I bave to pay present prices and rates of pay for maintenance. Hardly justice here. I can assure you if at any time the property becomes vacant it shall never be let again. At the time while I am to get an increase of 66p the local council is increasing its rents by £1.75p a week.

Recently a young friend of mine, a single lady (who I gather earns about £70 a week) moved into a flat for which sha pays £8.40 a week. This flat is part of an old house, converted by the housing association, it was a three-storey house, now converted into three flats. Her flat consists of a sitting room, which contains the cooker, the sink, and the fridge, etc. with one small bedroom, and a bathroom-toilet. There doesn't seem much sense in fixing a rent for this flat of £8.40 which is more than the house which I have.

C. S. Jones.
11, Monselton Road, Monselton, Swansea, West Glam.

Tax on high profits

From Mr. S. Penwill

Sir,—Advocates of taxation of what they regard as excessive profits of hanks and presumably other husinesses, excinding, of course, the Post Office and electricity and gas Boards, have apparently had no practical experience of excess profits tax or excess profits levy which taxes were imposed during and after the last war at rates of up to 100 per cent. At that rate a small part became in effect repayahle conditionally but only part and that many years after.

The computation of those taxes was extremely complicated and consumed a great of time of both the Inland Revenue and the taxpayers or their professional advisers, the latter being naturally extremely well remunerated for their aervices, excessively so in some cases.

In fact advantage was taken by the companies involved to indulge in all kinds of extravagant hut tax allowahle expenditure, the argument being that money not spent on redecorating premises, refurnisbing, etc. and abnormally high bonuses, cost nothing as it would otherwise he lost in taxation. This was of course in itself inflationary, as will be the suggested payment of ioterest on current accounts, which however would he welcomed hy many.

The advocates are I suspect not activated hy a wish to increase the national well heing, hut rather to punish the wicked capitalists. The solution is mnch more simple—it is to remove the cause of the excess profits.

S. W. Penwill.
158, Fenchurch Street, EC3.

By night to Paris

From Mr. A. Burkitt

Sir,—If British Rail is telling people that a return ticket on the night ferry to Paris costs £128.90, it is no wonder the service is having to close down. An ordinary 72 bour excursion —more than enough for most journeys for business or pleasure — plus a supplement for the sleeping car brings the total return fare to no mote than £66.35.

But there is possibly an even more serious reason for the lack of business. Most travel agents do not carry the necessary Wagons-Lits tickets and therefore can only book passengers with several days' notice.

British Rail refuses to take bookings hy telephone, and the only quick way to reserve a berth is to go in person to Victoria or another Continental travel centre.

Alan Burkitt.
Flat 3,
9, Spenser Road,
Herne Hill, SE24.

Today's Events

GENERAL

UK: Defence White Paper published.

British Rail pay talks, London. pay talks, Londoo.

Meeting of steel industry craft unions' leaders.

National Ecooomic Development Council meets, London.

Financial Times conference on the future of sugar, second day, Grosveonr House, W1.

Sir Hector Laing, United Biscuits (Holdings) chairman, preseots management game awards, Hilton Hotel, W1.

Prof. G. Angelino, Politecnico di Milano, presents a paper on the performance of nitrogen trioxide gas cycles for solar power applications, Institution of Mechanical Engineers.

International Show Jumping Championships open, National Exhibition Centre, Birmingham (until April 6).

Sir Peter Gadsden, Lord Mayor of London, visits Thames Water Authority's sewer at Drayton's Park Depot, N5.

Overseas: Two-monthly gold auction, New York.

PARLIAMENTARY BUSINESS

House of Commons: Consideration of Lords Amendments to the Education (No. 2) Bill. Remaining stages of the Limitation Amendment Bill.

House of Lords: Debate on Liberal motion on the Budget and its effects on the social, economic and industrial life of the nation.

Select Committees: Scottish Affairs (Room 5, 10.30 am, and 2.30 pm); Foreign Affairs (Room 15, 11 am); Treasury and Civil Service (Room 8, 11 am); Employment (Room 14, 4.45 pm); Transport (Room 15, 4 pm).

OFFICIAL STATISTICS

Capital issues and redemptions (during the month of March). United Kingdom official reserves (March).

COMPANY MEETINGS

Aaronson Broa, Savoy Hotel, WC, 12. Allied Textiles, Highburton, nr Huddersfield, Yorks, 11. Bath and Portland, 20 Manvers Street, Bath, 12. Hoover, Perivale, Greenford, Middx, 10. Lonsdale Universal, Gt. Eastern Hotel, EC, 12. Marchwiel, The Grosvenor Hotel, Chester, 12. Securicor, Eccleston Hotel, Eccleston Square, SW, 12. Security Services, Eccleston Hotel, SW, 12. Wm. Whittingham, Metropole Hotel, Nat. Exhibition Centre, Birmingham, 12.

Cape marginally lower after mining side sale

AFFECTED by the June sale of its mioing division end e sherp downturn in the contribution from the automotive and engioeering division, 1979 taxable profits of Cape Industries, a subsidiary of Charter Consolidated declined marginally from £12.73m to £12.48m.

When reporting profits up from £5.5m to £6.21m et midway, the directors sai dit was their objective to replace profits lost through the sale of the miniog division as quickly as possible. They expected thet overall this would he echieved in 1979.

They now say thrt the automotive division had a disappointing year, sales of friction materials heing particularly affected by national strikes and difficulties in the UK vehicle industry. Margins came under pressure and trading profits fell substantlally.

However, tbe building and insulation side of the business made strong progress against a hackground of little growth in tbe construction industry but healthy demand for insulation products and serices, aod its trading profits improved by 38 per ceot.

The sale of the mioing division has resulted in a greatly strengibened balance sheet end in less than 20 per ceot of tbe group's current tradiog profits heing dependent on asbestos.

A breakdown of turnover £203.79m (£180.28m) and trading profit £14.82m (£15.06m) shows (£000s omitted): building and insulation £136.006 (£104,343) and £12,051 (£8,704); automotive and engineering £57,070 (£51,892) and £1,230 (£2,176); mining—to June 29, 1979—£11,134 (£25,663 for all 1978) and £1,534 (£4,175).

Stripping out the mining division, group turnover for the year increesed by 24 per cent.

Pre-tax profits were after unallocated central charges of £446,000 (nil) and Interest £2.06m (£2.47m), and Included £165,000 (£147,000) share of associates.

After tax of £1.66m (£2.2m), minority losses of £5,000 (£14,000) and extraordinary debits of £335,000 (£520,000), the ettributable balance advanced from £10.03m to £10.49m.

Stated earnings per 25p sbare rose from 43.9p to 45.1p and the final dividend is 7.3p for a 11.2p (9.2443p) total. Some £7.8m (same) was retaioed.

• comment

The sale of the mining interests has saved Cape around £1m in ioterest charges but this has by no means compensated for some £2.7m in lost earings and, an a comparable basis, profits hefore tax are over 11 per cent higher. This is still slightly diseppointing and the shares were marked down 4p to 222p yesterday. Industrial dlsputes cannot fully account for the dramatic decline io profits from the automotive and engineering division where treding margins are now a wafer thin 2.2 per cent. Once again, the building and industrial operations bave saved the day, contributing 81 per cent of profits over the full year. The prospects here remain encouraging and the division will benefit from a £5m investment programme this year. At the same time, the engineering side is being rationalised and has plenty of scope to improve its contribution. The p/e of 4.8 after the published rate of tax, does not therefore look excessive, particulerly given the strengthening of the balance sheet. The mining sale hes halved net gearing to 17 per ceot though this will creep up e little in 1980. Dividends are covered twice on a CCA basis and produce a yield of 7.5 per cent.

HIGHLIGHTS

A controversy is building up in the City's banking community following the publication of the Bank of England's proposals on liquidity. Lex explains the issues and also looks at another major controversy concerning the much criticised Saint Piran company which is now the subject of a lengthy report from the Take-Over Panel. Elsewhere Lex looks at the poaition of Racal following the success of the offer for Decca which went uoconditional yesterday and at the severe shortage in the money merkets following the exhaustion of the long tap. On the inside pages Energy Finance and General Trust has come to the market with a placing of 1m shares, Barratt, the househuilder, reveals a $12m deal in the U.S. to acquire American National Housing Corporation. Other companies of note include H. Brammer, Charterball, Cape, Desoutter and Unicorn.

Titaghur losses reduced

A STATIC second half at Titaghur Jute Factory company has left pre-tax losses for the year ended June 30, 1979, down from £1.26m to £777,389. Turnover fell by over £6m from £27.7m to £21.48m.

At halfway the loss had been reduced to £234,000 against £715,000.

There was a profit on UK operations, albeit lower at £34,431 (£113,431) for the full period, hut the Indian operations incurred losses of £81t,820 compared with £1.38m, after allowing for possible losses on forward contracts.

In January directors said they expected the Indian operations to earn useful profits during the 1979-80 year—for the first five months profits have amounted to over £2m.

There was no tax charge for 1978-79, against £3,918 credit, and there was an extraordinary credit of £573,702 (nil). Minority losses amounted to £4,473 (£5,578).

A deficit per £1 share of 56.6p (89.9p), is given, before the extraordinary items.

Brammer passes £6.4m at year end

A YEAR of continued growth is reported by H. Brammer and Co. with pre-tax profits for 1979 over 17 per cent higher at £6.41m, against £5.47m, oo turoover up 23 per cent to £39.14m.

Profits of this replacement bearings, power transmission and rubber products group, has risen from £2.53m to £2.95m in the first six months.

The growth and profitability of the company's major investment in industrial distribution and services continued strongly and more than offset the deterioratioo in UK manufacturiog profits due to industrial strife.

The recent investment in the U.S., Pope Machinery Inc., progressed very well with a profit contribution well in excess of directors' expectations.

Stated earnings per 20p share were up from 17.3p to 18.9p and the dividend total is raised to 5.5p (adjusted 5p) net, with a final of 3.7p.

	1979 £000	1978 £000
Turnover	39,140	31,731
Trading profit	5,874	5,047
Net interest received	420	375
Profit on non-trade invs. sale	116	48
Profit before tax	6,410	5,470
Taxation	1,746	1,555
Net profit	4,664	3,915
To minorities	—	2
Extraord. debits	120	73
Exchange losses	150	—
Attributable	4,394	3,840

• comment

For a company with such close links to the engineering sector Brammer bas an enviable profits record. This is basically because it is a supplier of specialised transmission components to the replacement market, which has been far more active than original equipment. During 1979 this side of the business continued to expand although the engineering strike took a hefty bite out of the profits of the smaller UK manufacturing operation, particularly Russells Rubber, which has a high exposure to the automotive industry. Meanwhile there is £5m of cash following the recent rights issue. Proceeds were originally intended for the acquisition of the Morse Chain division of Borg-Warner which fell through. Brammer is clearly in an acquisitive mood and would probably prefer to look again at the U.S. The most likely target would be a company with activities complementary to those of Pope, a spindle maker bought for £1.5m last year. Current conditions are far from easy but Brammer should be able to continua its growth trend. At 139p the shares are on a p/e of 7.2 while the yield is 5.8 per cent — a fair enough rating for e distribution business.

Exceptional debits hit Wace

STRUCK AFTER a sharp increase in exceptional debits from £9,500 to 186,700, 1979 pre-tax profits of Wace Group, printing industry supplier, were lower at £318,000, compared with £340,100 previously. Turnover, however, improved from £3.26m to £5.57m.

Comparatives exclude pre-acquisition sales and profits of Gee and Watson for the period from January 1 to September 18, 1978.

First-half profits had risen from £156,500 to £175,400.

The final dividend is 1.8p net, compared with a forecast of 1.635p made in September at the time of the £295,000 rights issue. This brings the year's total to 3p per share, against 1.3185p adjusted for last year's one-for-three scrip issue. Earnings per 20p share are stated at 8.18p (6.86p). A one-for-four scrip is also proposed.

Tax charge was down at £98,500 (£155,100) and after minorities and extraordinary debits amounting to £4,900 (£36,100), attributable profits for the year emerged ahead from £148,900 to £214,700.

The board states that the henefit of substantial investment in oew equipment was not received duriog the year as heavy depreciation and interest charges relating to the equipment outweighed contributions to profits. Full benefit, however, will be received in 1980.

Unicorn profits lower in face of difficulties

A NUMBER of factors have contributed to pre-tax profits of Unicorn Industries, industrial holding company, falling from £7.43m to £6.52m in 1979.

The acquisition of Craelius AB resulted in interest charges increasing from £1.04m to £1.8m; about £400,000 was taken for redundancy payments; the group suffered severely from strikes, particularly in the UK, which are estimated to have reduced profits by £1m. Another factor contributing to the profit shortfall was a weakening in the demand for diamonds during the latter part of the year.

Profits at halfway were little charged at £3.52m (£3.46m).

Lower tax charges of £2.63m against £3.61m, resulted in earnings being slightly ahead at £3.87m against £3.76m after minorities, while stated earnings per 25p share are down from 16p to 14.1p, due mainly to the dilution resulting from last year's rights issue.

Looking ahead, Mr. Brian Ball-Greene, chairman, says the national steel strike has inevitably had an adverse effect on some, though not all, of the group's UK operations, while most of the international markets served, if not in recession, are certainly not buoyant.

He says that other activities such as oil drilling and mineral exploration are counter-cyclical, and expansion is sought in these areas. It is planned to take into new markets the products of recently acquired companies which have technical edvantages not aveilable hefore.

In the absence of further strikes, energy crises and deeper recessions, it is boped to exceed the profit lecel achieved in 1979.

During the year external turnover rose from £73.47m to £92.23m, and associated companies contribution was £10.92m (£15.21m). Trading profit was slightly higber at £6.78m (£6.6m), the share of associated companies being £1.56m (£1.87m). Dividends absorbed £2.1m against £1.44m, leaving retained profits down from £2.31m to £1.77m. Total reserves increased £4.98m to £31.39m at the year end.

• comment

Tha 24 per cent drop in second half profits at Unicorn Industries is much worse than expected although the main causes were known. Diamond markets faded in the fourth quarter while UK abrasives production was disrupted by industrial unrest in tha engineering industry last summer, costing more than £1m in lost profit. Abrasive product sales will probably be hurt again this year by the effects of the steel strike on UK manufacturing. But the company's stated hopes for expansion in oil drilling and mineral exploration and for taking products of recently acquired companies into new markets are unlikely to make much impact. Fully taxed earnings barely cover the dividend but the 13.9 per cent yield may prevent further erosion of the share price. The new current cost accounting rules would have knocked £2.4m off the £6.5m profit before tax on the year.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corre-sponding div.	Total for year	Total last year
American Trust	1.25	—	1	1.85	1.55
H. Brammer	3.7	—	3.8	5.5	5*
Cape Inds.	7.3	May 29	5.97	11.2	9.24
Desoutter Bros.	4.5	May 18	3.69	7.2	6.16
Laurence Gould	23.63	May 15	0.84	42	17.59
Ingall Inds. int.	0.74	May 23	0.67	—	2.06
Law Land	0.75	July 8	0.6	1.25	1.1
Savoy Hotle "A"	1.15	—	1.15	1.15	1.15
Silkolene Lubricants	3.95	May 15	1.62	5	2.54‡
Southampton Steam	9.5	May 21	7.75	13.5	11.25
Unicorn Inds.	4.64	—	3.91	7.14	6.06
Wace Group	1.8	—	0.79*	3	1.32*
Watts, Blake, Bearne	2.3	—	2	3.6	3.13

Dividends shown pence per share net except where otherwise stated.

* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues. ‡ Includes non-recurring payment of 0.07272p.

Desoutter Brothers cautious after peak performance

SECOND HALF pre-tax profits of Desoutter Brothers (Holdings), precision mechanical engineer, improved from £1.79m to £1.89m and helped the year's figures to rise by £427,000 to £3.82m.

The final net dividend is raised from 3.685p to 4.5p, making the total 7.2p (6.16p). Stated earings per 25p share are up from 16.92p to 24.63p.

Tax cherged was lower at £1.45m (£1.74m), and dividends absorh £743,000 against £637,000. Retaioed profits are up from £1.01m to £1.63m.

Mr. R. C. Desoulter, the chairmao, says turnover, which increased from £19.59m to £22.45m, and profits were the highest ever achieved by the company.

Orders received so far for 1980 continue at a satisfactory level, hut he warns that a high rate of Inflation in this country, plus the cost of sterling overseas, may have some effect on trading margins and, in consequence, profits may not quite equal the record figures of 1979.

• comment

Desoutler exports in the region of 70 per cent of production so its wernings as to the effect of unfavourable sterling parities are not to be taken lightly. That, however, should not be teken as a signal to sell tbe shares at 116p. The balance sheet is strong aod will support a spending programme of around £1m with reasonabla comfort. Connections with the machine tool industry may be something of a drag oo the share price hut, rather than manufacture to an order book, Desoutter has demonstrated its ability to sell pneumatic power tools from stock thus gaining a powerful share of the UK and EEC markets. Tha wide spread of the customer range ensures a degree of immunity to a downturn in a particular sector and the level of demand so far this year is holding up well. Further expansion in the U.S. market can he expected and it is very likely that further inroads will be planned into the EEC, where — excluding the UK — the group has ebout 12 per cent of the market in volume terms. After a full tax charge, the historic p/e of 6 bas taken into account tha threat of a shortfall this year and a yield of 9.2 per cent offers reasonable support. The recent track record suggests that Desontter will be among the foremost industrial groups to benefit from lowering of the currency hurdle.

BRENTFORD NYLONS

In yesterday's report on the winding up of Brentford Nylons, it was stated that the company had been taken over by Lonrho after its collapse in 1976. In fact, Lonrho took over the assets and trada names of Brentford and the company being wound up, Brentford Nylons Ltd., has no connection with Lonrho.

Energy Finance placing

Energy Finance and General Trust Holdings, the issuing house run by Mr. Dennis Barkway, is coming to the market via rule 163(2). Tha Stock Exchange has given permissioo for deelings to begin today.

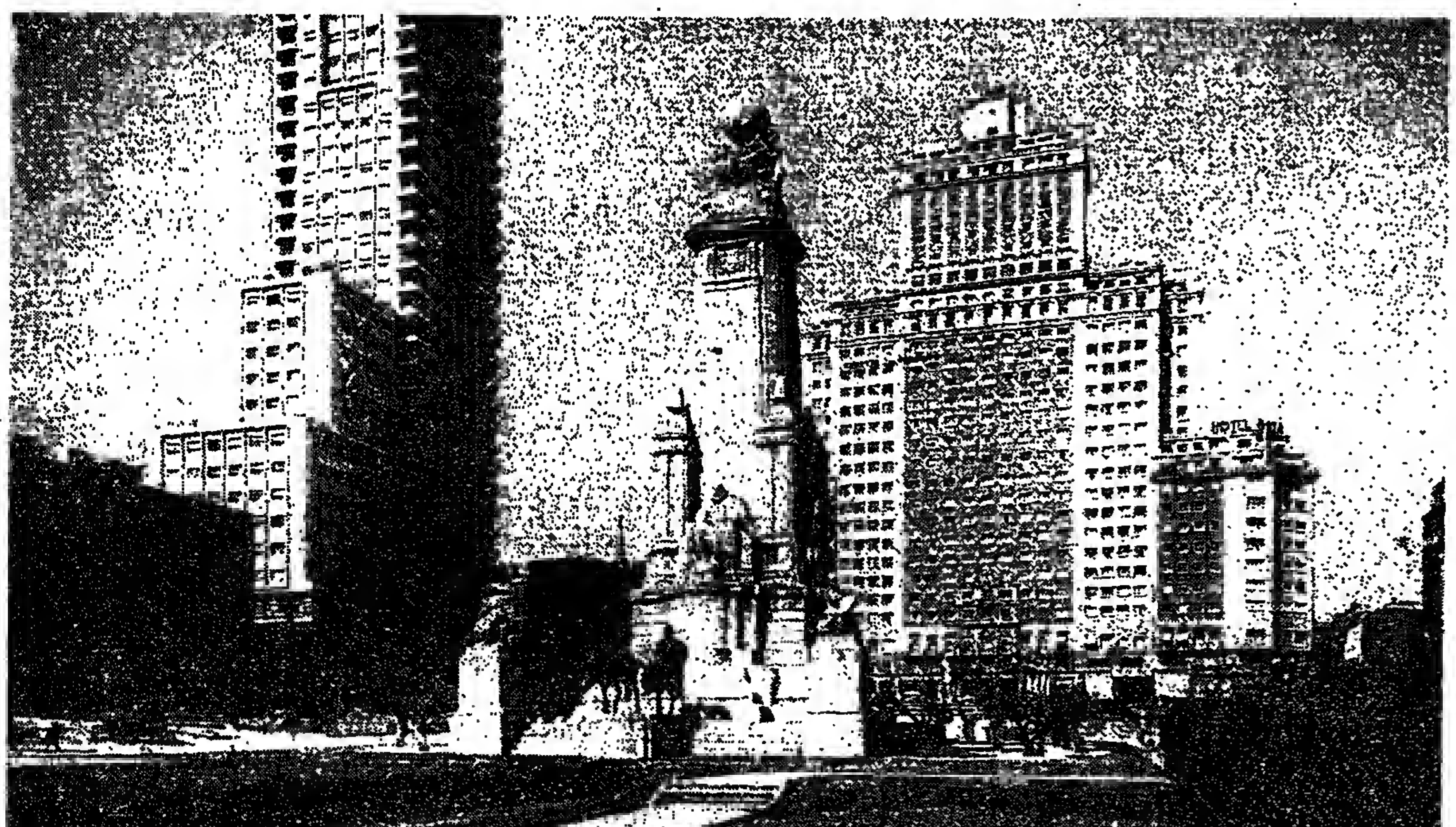
A total of 1m new ordinary shares of 10p have been placed at 35p each, the majority of which went to institutional investors comprising a major pension fund, two insurance companies and two investment trust groups. The proceeds amount to £0.35m.

The directors forecast that pre-tax profit for the year ended March 31, 1980, will he not less than £0.3m on which the net dividend total will ha 1p, with 1.25p in 1980-81.

At the placing price the p/e is 13.46 fully diluted while the yield is 4.08 per cent and a prospective 5.11 per cent for 1980-81.

SPAIN

April 1	Price %	+ or −
Banco Bilbao	225	
Banco Central	248	+4
Banco Exterior	206	
Banco Hispano	223	−3
Banco Ind. Cat.	130	
Banco Madrid	154	
Banco Santander	260	
Banco Urquijo	162	
Banco Vizcaya	232	
Banco Zaragoza	208	+3
Dragados	100	
Espanola Zinc	62	
Fecsa	58.2	+0.2
Gal. Preciados	27.5	+0.5
Hidrola	64.7	
Iberduero	58.5	+0.8
Petroleos	109.5	+1.5
Petroliber	59	
Sogefisa	807	
Telefonica	54.5	
Union Elect.	63.2	−0.8



Watts Blake rises £0.5m and plans 25% scrip

AN IMPROVEMENT in pre-tax profits from £3.02m to £3.51m is reported by Watts, Blake, Bearne and Company, clay mining and processing group, for 1979.

The dividend is lifted from 3.125p to 3.6p net with a final of 2.3p, and the directors are proposing a one-for-four scrip issue.

The surplus is struck after depreciation of £1.63m (£1.46m) and a post-invoice currency loss of £196,000 (£44,000 profit).

The current year has started well, say the directors, although they expect a modest deterioration in trade throughout the world during the 12 months, with little hope of a positive revival before 1982.

They add that, with ample financial resources available, any slack periods ahead will be used in preparation for continued expansion through the mid-1980s. Meanwhile, they intend to do their best to maintain the group's profit growth record.

Tax this time takes £1.37m (£1.2m), including overseas tax of £277,000 (£135,000), and earnings per 25p share are shown as 16.26p (13.9p) before tax, and 12.82p (11.11p) after.

Sales improved from £19.06m to £22.29m, with £16.14m (£13.88m) coming from exports and overseas trading.

Law Land revaluation surplus

ATTRIBUTABLE profits of Law Land Company, property investor, developer and trader, declined from £310,456 to £293,708 in 1979.

The dividend is increased from 1.1p to 1.25p net with a final of 0.75p, and absorbs £455,805 (£400,106).

A revaluation of properties held as fixed assets as at December 31, 1979, shows a total value of £64.14m compared with a book value of £51.7m. The resulting net surplus of £12.39m has been transferred to capital reserves.

Property and trading income fell from £5.98 to £5.51m before ground and other rents, rates and expenses of £2.72m (£3.12m). Interest charges rose from £2.6m to £2.75m.

Stated earnings per 20p share on a net basis, including a transfer from capital reserves relating to development properties, are 0.73p (0.85p).

L. Gould profits up 60%

PRE-TAX profits of Laurence Gould and Co., consultants in agriculture and agro-industries, expanded by 60 per cent from £133,723 to £213,656 for 1979, on turnover up by 42 per cent to £1.86m.

At halfway profits were up from £73,000 to £102,000 and directors were confident of a full-year performance well ahead of 1978.

Some turnover and profit increase is expected in the current year, although not as much as in the last year or so, they now state.

Final dividend on the ordinary shares, which were placed on the market in June, 1978, is 23.625p lifting the total from 17.5875p to 42p.

Profits for the year were subject to tax of £95,697, compared with £49,694, after which earnings are shown as 131p (103p) per share.

The dividend cost is £17,848 against £6,513 leaving a retained balance up from £77,516 to £100,311.

Dealings in the company's shares are conducted under Rule 163/2.

R. Clay warns on margins

IT IS likely to be difficult to find sufficient work to keep all Richard Clay and Company's factories et their normal level of production in the current year, shareholders are told in the annual report.

This may result in pressure on margins which, together with the costs of turning the recently acquired Fakenham Press into profit and the start-up costs of the Singapore company, could make it very difficult to maintain the record of increased profits.

The pre-tax surplus of this book printer and binder rose from £1.9m to £2.01m in 1979, despite an 8 per cent fall in the second half, as reported on March 19.

The directors say the downturn of orders in the last quarter of 1979 has contained, although there are signs of an improvement which should be maintained.

They are confident the group is on a sound base to meet present competition and, in the longer-term, is well placed to take advantage of the upturn in the market which they feel must come.

Charterhall back in profit with £19,523 at mid-year

A RETURN to profitability was achieved by Charterhall in the six months to December 31, 1979, with profits for the period at £19,523, compared with a loss of £31,524 last time. Total income of this investment holding company with interest in oil, natural gas and mineral exploration and finance, advanced from £223,613 to £491,689.

The result comprised net income from the group's financial companies and interest earned on bank deposits, less operating expenses and interest to BP on the loan made at the time of the Farmout in 1977.

Operating expenses were mainly associated with the continuing development of the group's oil and mineral interests which are not yet contributing significantly to income.

Interest payable increased from £29,376 to £57,783, while depreciation and amortisation charge took £14,418 (£9,259). No provision is required for tax.

Again no dividend is recommended, but as announced at the last annual meeting, the board expects that these will commence in the year ending June 30, 1981 —the last payment was in 1967.

Cliffs International Inc., the operator of the Mt. Keith nickel project in Western Australia, has now earned a 51 per cent interest in the venture, leaving Charterhall with a 26 per cent interest which is held through Charterhall Mining Exploration.

After Cliffs has spent a further A$250,000, Charterhall will be required to contribute funds in proportion to its interest. Results continue to be encouraging and the next drilling programme is planned to commence this month.

Charterhouse's two financial groups are trading satisfactorily end continue to provide cash flow to cover operational expenses.

The seven production wells and the facilities in the Buchan Field are complete and await the arrival of the drilling rig 'Drillmaster" which is still being converted to a production platform to be known as 'Buchan A.' The work is being undertaken at Stornoway and is now about 90 per cent complete.

As already announced by the operator, BP Petroleum Development, because of the conversion delays, the estimated total capital cost of the project has risen to about £170m.

On the South Western approaches it is planned to carry out a detailed seismic survey in the next few months, upon which drilling plans for 1981 will be formulated.

Charterhall Oil has joined substantial consortia to apply for blocks in the Seventh Round of UK Offshore Licensing which is expected to be announced in the near future.

In the San Luis oilfied in New Mexico the wells and facilities for water injection are ready and government permission to start injection is awaited. Income is continuing to be received from the eight programmes managed by Sigma Resources in which Charterhall America has an interest.

Charterhall Resources Canada, in conjunction with Renaissance Resources, has acquired an interest.

Charterhall Resources Canada, in conjunction with Renaissance Resources, has acquired an interest in two leases in British Columbia to add to those already held in five areas in Alberta, one in Saskatchewan in Canada, and those in Kansas nd Wyoming in the U.S. Two wells in Alberta have been drilled to date, both with negative results and the next drilling activity is expected to be in Kansas. Of the C$500,000 contributed by Charterhall to the joint venture fund, C$434,000 has been expended to date on the acquisition of leases.

● comment

Charterhall's marginal profit at the interim stage is almost identical to the one reported yesterday by Attock Petroleum, another small independent oil exploration company. But unlike Attock, Charterhall receives little oil revenue to speak of. Its revenues and profits remain almost exclusively from its financial division and interest received. The company has to pay interest back to BP on a loan made in 1977, but this is less than interest received. The major question mark for Charterhall seems to be when the Buchan field will get underway and how much the group can expect to earn from its 4.56 per cent stake. Some estimates range over £3m per annum, but this would not begin before the financial year to June 1982. At present, it looks as though production will be delayed beyond the intended start in August until later in 1980. This is because the Buchan rig of the same design as the one which collapsed in the North Sea last week; there will be several weeks of tests before it is allowed to be installed. At year end, Charterhall may be able to stay in the black, but profits are unlikely to exceed £50,000.

ASSOCIATE DEAL

Burns Philip and Co. has purchased 575,000 ordinary shares of S. Hoffnung at 80p, representing about 3.26 per cent.

Schroders confident of overcoming problems

HIGH RATES of inflation create special problems for Schroders since the bulk of its assets are held in monetary form which makes it increasingly difficult to earn a return that is adequate to preserve the real value of shareholders' funds. However, in his annual statement the Earl of Airlie, chairman, says he is confident the group will find ways of alleviating these problems.

He adds that the increase in 1979 net profits from £4.94m to a record £6.6m supports this confidence.

Although erosion of margins continued, earnings from the banking division of J. Henry Schroder Wagg improved and money market activities again made a useful contribution to profits. Fee income of the company finance division was slightly lower but the investment division had an excellent year.

Schroder Life Group and Schroder Leasing significantly increased new business, while the group's U.S. companies achieved record profits. Here, total assets rose by over 20 per cent to U.S.$1.5bn but the ratio of loans and deposits to capital base remains conservative and will allow for further expansion.

Apart from a marginal decline in investment income of the Swiss subsidiary, all other group activities produced satisfactory results.

The AGM of this banking, finance and insurance group will be held at 120, Cheapside, EC, on April 23 at 12.15 pm.

MIDLAND BANK STATISTICS

Statistics compiled by Midland Bank show that the amount of 'new money' raised in the UK by the issue of marketable securities in March was £65m, the largest monthly total this year, but only about three-quarters of the amount raised in the corresponding month in 1979.

In the first quarter £123m was raised compared with £218m in the same period last year. The proportion accounted for by companies has fallen from about 90 per cent of the total in the first three months of 1979 to less than half in 1980.

Greencoat well down at midway

Gross revenue of Greencoat Properties was little changed for the half year ended December 31, 1979, at £2.04m against £2m, but pre-tax profits fell from £26,000 to £2,000.

Despite continuing progress, the financial constraints imposed by the legal problems in the company's Grancanal develop-France, will remain for the rest of the year.

The directors, therefore, do not feel it would be appropriate to pay an interim dividend—the last payment was 0.13p for 1974-1975.

The directors state that the legal problems in Paris are not yet finally resolved. A date has not been fixed for the company's appeal against the decision to cancel the building permit in respect of the three blocks of the Grancanal development completed in 1976.

In the meantime, directors are exploring ways in which they can sell the remaining 17 apartments in these blocks.

58 companies wound up

Compulsory winding up orders against 58 companies were made in the High Court last Monday. They were:

Distrimex, D. T. Fleming, Vale of Rheidol Properties, B. R. R. Developments, Office Personnel (Birmingham), Lavos Trading Company and Ben Chulee.

Hazeberry Transport, Lakeside Plastics Engineers and Tooling Co., Swiftcuts Diamond Drilling and Sawing, Kenneth Jackson, Bullaya Investments (York) and Wamain (Plumbers).

Westbury Excavation and Demolition Contractors, Anglor Reinforcing Company, Correct-O-Pest, European Food and Wine Company, John Steel, and White Rose Panel Beating Company.

Marisle, Hartlodge, Albion Printers, Frymere and Glider Travel.

Lotadale Builders, Fullshire Properties, Wayt Transport, Feather Designs, Venture Carpets, Brentford Nylons and Tony Peyton Graphics.

T. and C. Kitromilides, D.R.G. Records (UK), Fix-A-Vent, J. H. Mason (Contractors), Ricky George (Sportaid), Serge Noel and Nishalini.

Honeybay Caterers, David Broughton and Associates, The Painted Blind Company, Huskfine, Squirrel Investments Company, Leslie Grant and Romag Refractories.

Cavestone, Coilbond, Computer Automation Systems, Steve Smith, Steve Smith TV (Coventry), J. L. O. Systems, D.V.T. (Glazing), A. G. Freight Services and Hotel Tokyo (London).

Mooloya Investments, Duncan Marsden (Burnley), W. E. Hopkins and Sons and Engineering Production and Industrial Consultants.

Compulsory winding up orders against Austin Kielty Contractors (made on March 24) and against Hyde Motor Company (March 17) were rescinded. By consent both petitions were dismissed.

Proceedings in the winding up of Hyde Park Insurance Brokers, against which a compulsory order was made on October 5, 1979, were ordered to be stayed.

Barratt moves into U.S. with £5.7m acquisiton

Barratt Developments has entered the U.S. house building market with the acquisition of American National Housing Corporation of California.

Barratt, which says it intends to make "further selective acquisitions" in the U.S. over the next few years, paid £5.7m cash for the company and is to make an additional payment between 1983 and 1986 which will be based on net assets and profits.

Net assets of ANHC, a privately owned housebuilding company established in 1969 and based in Newport Beach, exceed the cash purchase price. In the past 10 years, the American company has built and sold nearly 3,000 houses in California and Arizona, and has also carried out commercial developments.

At a signing ceremony in California, Mr. Laurie Barratt, chairman of Barratt Developments, said he believed it was the first time a UK housebuilder had acquired a U.S. counterpart and the purchase provided an ideal vehicle for the group's entry into the American market.

In the UK, Barratt claims to be the country's largest private housebuilding group with a turnover heading for £200m a year and a sales target for the current year of 11,500 homes.

Between 1¼m and 2¼m homes are built every year in the UK with the largest American housebuilders taking less than 1 per cent of the market.

Barratt claims 9 per cent of the U.S. market and says its new American company, acquired through its newly-formed U.S. holding operation Barratt American Inc., will adopt the autonomous management structure which has been adopted in the UK.

Debenhams sells 27 shops to Sellars

Irvine Sellars, the privately owned chain of fashion retail stores, has bought the 27 shops formerly operated by Debenhams under the Cresta name for £1.5m.

Debenhams announced early in December that it was closing the Cresta operation and intended to sell the shop units piecemeal. In the event they have all been bought by Irvine Sellars which will trade from about half under its Mates name.

A number of other stores will operate as "Crocodile" high fashion units and the remainder will be sold. The exception is the York department store involved in the package which is to be renamed "Marshalls of York" and will retain "much of its former character," a spokesman for Irvine Sellars said yesterday.

The sale by Debenhams follows a series of disposals of parts of its diversified retailing operation. In December it sold its chain of Caters supermarkets to Allied Suppliers for £9.5m. At the same time it considered and finally rejected two offers for its Harvey Nichols department store.

Earlier last year it sold its Greena photographic chain to Dixons Photographic for £1.7m.

Alternative offer for Serck

THE £33m cash bid for Serck by *Rockwell International Holdings*, accepted with "reluctance" by the Serck board, has been supplemented by an alternative offer of floating rate unsecured loan notes 1980-85 at the rate of 77½p nominal per ordinary share of Serck.

The notes will bear interest at a rate of 4 per cent below the London Inter-Bank Offered Rate which, in present circumstances, means that the coupon would be 13 per cent. The alternative terms copy those offered to holders of Geo. G. Sandeman by Seagram last year.

To reduce the costs of acquiring shares in the UK valve manufacturer, Rockwell proposes that Serck should effect a capital reorganisation. Subject to shareholders' approval at an extraordinary meeting on April 23, a holding of one existing Serck share will thereafter be represented by a holding of one fully paid new ordinary share and one fully paid deferred share.

In the meantime, the Stock Exchange continues its preliminary investigation into dealings in Serck shares in the week before Rockwell acquired its current 29.7 per cent holding. A decision whether to call for verbal evidence has yet to be taken.

SHARE STAKES

Alexander Howden Group — Kuwait Investments Office on March 10 sold 100,000 shares, on March 13 50,000 and on March 21 50,000, leaving interest at 7.1m (7.83 per cent).

Elbar Industrial—Tanks Investments (UK) has increased its beneficial interest from 2.34m shares to 2.35m (71.92 per cent).

Drake and Scull Holdings — Chevalier Malevez, director, sold 100,000 ordinary shares at 43p and 10,000 5.6 per cent "B" cumulative redeemable preference shares 1991/96 at 49p on March 27 and 10,000 7 per cent "D" cumulative preference 1992/97 at 64p on March 20.

Cardiff Property Co. — J. R. Wollenberg, director, has acquired 50,000 shares (6.8 per cent): his total holding. General Industries has sold 50,000 leaving holding 106,000 (14.4 per cent).

Spencer Clark Metal Industries — Rothschild Investment Trust is beneficial owner of 540,000 shares formerly held by its subsidiary—New Investment Co.

Norfolk Capital Group — On March 28, M. Joseph, chairman, acquired a further 581,818 shares at 38½p. He immediately sold, at 38p, 93,165 of these shares in accordance with requirements of the City Code thereby reducing his holding to 5.69m (28.99 per cent).

HoJo shares react again

Concern about the $630m (£290m) bid by *Imperial Group* of the UK for *Howard Johnson* was again evident on Wall Street yesterday, and shares of the U.S. motel and restaurant chain had to be temporarily suspended.

The suspension followed an agency report that HoJo had just announced "vexing problems," in its business due to inflation and petrol shortages. This appeared to refer to HoJo's annual report, but this has been in shareholders' hands for at least ten days.

After this had been cleared up, HoJo shares, later opened at $15, down 50 cents from the suspension price. However, they have fallen sharply from the $28 bid by Imperial after reports that the takeover may be in trouble.

In London, Imperial Group refused to add anything to last week's statement by Sir John Pile, the outgoing chairman, who said there were still questions to be answered about the deal.

"We are not in a position to comment on any aspect of the deal beyond what Sir John said at the annual meeting," said Mr. John Smith, the company secretary. "So we sit here like claims."

A Howard Johnson spokesman said in Boston that no new date had been set for the company's annual meeting, originally due for April 28 but put off because of the pending bid.

RESTRO HAS 58% OF POLLY PECK

Acceptances of the offer made on behalf of Restro for Polly Peck Holdings have been received in respect of 3,028,771 shares. The offer became unconditional on March 12, 1980, and remains open until April 14. Restro now controls approximately 58 per cent of the voting rights of Polly Peck.

Glasserton buys into LIT

Glasserton Company is to acquire 267,900 ordinary shares of London Intercontinental Trust in a deal worth £32,148. Glasserton is buying its 26.79 per cent stake from certain of the directors and their families.

But the agreement is subject to satisfactory answers to certain queries concerning London Intercontinental being provided by April 21, 1980. It is also subject to acceptances being received in respect of a further 24.21 per cent of the capital.

If the conditions are fulfilled, in compliance with the rules of the Takeover Panel, Glasserton will extend an offer to holders of the remaining 732,100 ordinary shares in London Intercontinental at the same price of 12p. The offer is conditional only on acceptances being received in respect of the 24.21 per cent of the capital.

Glasserton intends to reactivate the business of London Intercontinental, an investment trust, and restore the listing. The existing directors, Mr. H. J. C. Ross Skinner and Mr. D. G. Hanmer, have agreed in principle to remain in office for a minimum 12 months and, on the offer becoming unconditional, further directors will be invited to join the Board.

MALLINSON-DENNY

Further to the announcement on January 11, 1980, Mallinson-Denny confirms that the 1,666,167 ordinary shares issued as part of the consideration for the acquisition of Keith Young (Insulation Supplies) have been issued.

BOGOD-PELEPAH

Bogod Adamson Machines, a subsidiary of Bogod-Pelepah, has acquired the assets of Ibis Engineers from the receivers, for £90,500 cash.

And the company has acquired the assets of Ibis Booth, from its receivers. The consideration is £18,000 cash and some £50,000 for stock.

The Bogod Group Pension Fund will acquire the freehold premises in Leeds, occupied by Ibis Booth for £30,000, and will lease them to Bogod Adamson at a commercial rent to settled by an independent valuer.

Injunction hits Grand Met's U.S. plans

By David Lascelles in New York

Grand Metropolitan suffered a further setback in its attempts to build up its stake in Liggett Group of the U.S. yesterday. A judge in North Carolina issued a *preliminary injunction barring* it from boosting its stake from the current 9.5 per cent.

The injunction was requested on anti-trust grounds by the North Carolina state authorities with the backing of Liggett Group, which is anxious about the Grand Met approach. Ten days ago, the state obtained a temporary restraining order against Grand Met which was due to expire today.

But Grand Met indicated that it might challenge the injunction. A spokesman said the company "believes the preliminary decision to be contrary to the facts, and is studying all legal options to remedy the situation."

HOFFNUNG STILL SAYS REJECT

S. Hoffnung, the UK based Australian trader, has urged shareholders not to accept the £15.9m offer from Burns Philp, the Australian conglomerate.

Mr. H. Roland Bourne, Hoffnung's chairman, has said in a letter to shareholders that the Burns Philp ordinary offer "is wholly inadequate and should be rejected.

Referring to "alarmist conjectures" which Mr. Roland Bourne argues were contained in a recent letter dispatched to shareholders by Burns Philp, Mr. Bourne tells shareholders that they should take no action. "I will write to you again shortly with our full reasons for maintaining our view," he says.

RACAL/DECCA

Racal Electronic's bid for Decca has gone unconditional with Racal claiming acceptances from 88 per cent of the voting shares and 89 per cent of the non voting.

The majority have opted for Racal's shares. Only 12 per cent have sought the cash alternative which commits Racal to a cash outlay of only £8.6m so far.

CADOGAN OAKLEY

Cadogan Oakley, the industrial holding subsidiary of Cadogan Estates, has acquired from Associated British Hat Manufacturers, the entire capital of its wholly owned subsidiary Christy and Co. for approximately £1.2m. Christy acquired from ABHM on January 31 all its headwear interests which will in future be conducted under the Christy name.

Phelps takes a cautious line

BY PAUL CHEESERIGHT

PHELPS DODGE, which mines about 20 per cent of the copper produced in the U.S. each year, *has cast a baleful eye over* the revival of fortunes in the mining industry over the past 18 months and has expressed only qualified optimism for 1980 prospects.

Although the group is expecting to gain the benefits from an investment programme carried through in the 1970s and from a return to profit at the Western Nuclear uranium subsidiary, Mr. George Munroe, the chairman, cited in the annual report two uncertainties for this year.

First there is "the uncertainty about whether our country's economy will move into a recession this year." The Carter Administration is now expecting that recession would be "somewhat later and milder" than forecast earlier and could come in the last quarter.

The second uncertainty mentioned by Mr. Munroe is the expiry, in the middle of the year, of most of the labour contracts in the U.S. copper industry. This would affect Phelps' Arizona mines and its refinery at El Paso, Texas.

"If these important matters can be satisfactorily resolved, our company should enjoy a good year in 1980," he said.

But "good" is a vague word if seen in the light of Mr. Munroe's analysis of the 1979 figures which showed that net profits climbed to $110.8m from $30.1m the previous year.

If the 1979 earnings are expressed in constant dollars, Mr. Monroe said, they would be exceeded by the earnings of 13 of the previous 25 years. "Last year was "a fairly normal year after the cyclical low of the previous four years."

Although copper demand was strong in the major markets and inventories were reduced to normal levels, the marked improvement in prices still left values "relatively low when measured by historic relationships with other metals and, when adjusted for inflation, did not approach the levels reached on the metal exchanges in 1974 at the top of the last cycle," Mr. Munroe said.

INCOME REVIVAL AT MARINDUQUE

Marinduque Mining and Industrial, the Filipino group, last year staged a dramatic financial turnaround, recording a net profit of Pesos 165m (£10.3m) after making a net loss of Pesos 98m in 1978. It was the first profit for the group since 1976, reports Leo Gonzaga from Manila.

The group has nickel mining and refining, copper, gold and silver mining and milling interests.

Marinduque for some years has been meeting heavy financial charges associated with borrowing for its $250m nickel refinery on Mindanao Island. In 1979 charges were Pesos 372m compared with Pesos 260m in 1978.

But this was more than offset by the favourable turn in prices for the group's mineral products and higher nickel refinery and copper mill production.

By contrast, Consolidated Mines, which has copper facilities on Marinduque Island and a refractory chromite property in south west Luzon, suffered a sharp drop in profits to Pesos 1m last year from Pesos 37m in 1978.

RTZ (Rhodesia) platinum and gold prospects

WHILE LITTLE change in earnings and dividend is expected this year by the Rio Tinto-Zinc group's - per cent-owned Rio Tinto (Rhodesia), the latter has plans for two major developments following RTZ's recent decision to provide it with funds of £5m, reports Tony Tawkins from Salisbury.

The first, disclosed by Mr. W. V. Rickards, chairman of Rio Tinto (Rhodesia) is a decision to construct a pilot plant at the Zinca platinum deposit. It will take about two years to determine whether to go ahead with what could be a major platinum mine, but Mr. Rickards says the project looks "very attractive" at current platinum prices.

The second venture is a medium-sized gold mine in the Fort Victoria area where development has been held up by the security situation. A final decision on this, Renco, project awaits confirmatory diamond drilling. "I am reasonably confident we have a viable project here," says Mr. Rickards.

Of the group's existing operations, the major investment, Empress Nickel, is in a declining production phase with nearly 60 per cent of available ore tied up in pillars. Lower output is also expected at the Sanawana emerald mine while reduced ore grades are expected at the group's gold mines and the industrial division is not expected to achieve major earnings growth this year.

هكذا من الجول

Silkolene over £1m and raises dividend to 5p

SECOND HALF pre-tax profits of Silkolene Lubricants improved from £568,000 to £681,000 and this helped to push up the year's figure by 23 per cent from £869,000 to £1.07m. Turnover was up 22 per cent from £9.03m to a record £10.98m.

A final dividend of 3.95p will be paid making 5p (2.53682p) for the year. Stated earnings per 10p stock unit are up from 13.8p to 19.5p, after tax down from £296,000 to £256,000.

The company states that share capital is to be increased to enable the shares to acquire "trustee status." To achieve this the face value of the shares will be written up from 10p to 25p by capitalising £624,000 standing to the credit of the company's reserves.

Mr R. G. Dalton, the chairman, reports increases in the volume of main stream products sold, and improvements in operating efficiency. He says 1979 could have been better except for various industrial disputes. The transport and engineers' strikes both held the company back. In particular, they caused a considerable delay in the expansion programme of special products facilities.

This will now be completed in the middle of this year and the company looks forward to further increases in sales in this area where promising markets exist.

The plant engaged in the joint venture with Croda Synthetic Chemicals ceased to operate during the year. The company is now investigating alternative expansion projects which could utilise this plant.

Mr Dalton says the company enters the 1980's on an optimistic note but profit for the current year will be affected unless the present industrial disputes are soon settled. He says this makes it difficult to forecast with any certainty the outcome for the present year.

Construction company £2.96m in debt

ABOUT 1,200 creditors of Peter Lind and Co., the unquoted building and civil engineering contractor, are owed a total of £2.9m, according to a statement of affairs prepared by the company's directors.

But some of the creditors indicated at a meeting that they were claiming for far in excess of the amounts shown.

The biggest single trade creditor is British Steel Corporation which is owed £104,000.

The company is hoping to sell its Purfleet, Essex, depot for about £1.6m. Mr. Peter Copp, of Stoy Hayward and Partners and joint liquidator, has devised a plan which may avoid payment of a substantial part of the capital gains tax on the sale.

He told the meeting, that he had set up a subsidiary, in which the company has voting control and a 50 per cent interest. This has taken over the Essex depot and it is expected that much of the capital gains tax can be set off against trading losses when it is sold.

Total assets estimated to be available in the liquidation are £1.13m. On that basis, the deficiency to creditors is £1.83m. Adding the issued capital of £700,000, the total deficiency is £2.53m.

Substantial losses on the River Mole contract for the Thames Water Board and cuts in public spending were largely responsible for the collapse of the company. In the year to March 31, 1979, there were pre-tax losses of £142,397 (£152,476 profits).

Steetley's spending plans upset

SOME OF Steetley Company's investment plans will be delayed because of the effects of the steel strike, Mr. Tom Boardman, the chairman, tells members.

He also revises the earlier forecast of substantially higher profits in 1980. He now says results will depend largely on whether there is a period of industrial peace and an acceptance of sensible economic policies.

In 1979 the group spent £54.6m (£19.8m) on acquisitions. Current forward commitments of £18.1m are mainly concentrated on expansion of its activities in industrial minerals and construction materials, and its borrowing facilities are adequate to finance planned projects.

Mr. Boardman notes that the company has substantial mineral reserves and intends to increase these when opportunities arise. He adds that, though these investments are costly and may not produce any return for some years, but it would be imprudent to maximise current earnings at the expense of the future.

As report March 21, taxable profit rose to £23.51m (£20.36m) in 1979 on turnover of £297.5m (£250.3m), the net dividend is raised to 10.5p (7.262637p). Current cost profit emerged at £12.9m (£13.1m).

A revaluation of land, buildings and mineral resources at January 1979, revealed a £9.2m surplus over book value which has been taken to reserves.

Minerals extraction and processing remained the main contributor to group results though profit here was marginally down at £10.47m (£10.59m).

Meeting, Great Eastern Hotel, EC, on April 24 at 11.30 am.

S'hampton Steam advances

A £256,704 advance in the second half took fulltime pre-tax profit at Southampton, Isle of Wight and South of England Royal Mail Steam Packet Company for 1979, from £1.09m to a record £1.44m.

Midway operating profit jumped from £78,968 to £265,225 reflecting an improvement for both ferry and towage services.

A net final of 9.5p lifts the total dividend to 13.5p (11.25p) per 50p share.

The result included income from interest and dividends up at £214,645, against £67,126 but the surplus on sale of fixed assets was down at £4,350, compared with £156,346 last time.

After tax of £753,156 (£572,064) the net balance emerged at £685,122 (£515,716).

Highland Electronics midway slip

AFTER substantial losses and rundown costs in the bearing-aid division, pre-tax profits of Highland Electronics slipped from £320,553 to £307,657 in the six months to October 31, 1979.

The downturn in the hearing-aid manufacturing subsidiary, Ardente, has now been stopped, but Mr. Michael Cohen, chairman, says the unsettled economic situation indicates that full-year group results will not show a substantial improvement. Last year, profits reached a record total of £610,000.

Turnover in the six months rose slightly from £3.94m to £4m. After tax of £160,000 (£166,500) there is a net surplus of £147,657 (£154,053).

There was a single dividend last year of 1.5p net.

Midland Bank concerned at rise in operating costs

THE INCREASE in operating costs is a cause of particular concern for Midland Bank says Lord Armstrong of Sanderstead, the chairman.

In his annual statement he points out that despite high investment in new technology banking remains a staff-intensive industry. Over the last five years the remuneration of the group's UK employees increased at an average of 20 per cent, although during that time the rate of increase in numbers of staff was gradually reduced.

For 1979 net operating income was up 25 per cent from £823m to £1.03bn before operating costs up 20.6 per cent from £586m to £707m. Of the operating costs staff costs, including pensions, were up 22.6 per cent at £466m (£380m).

In the coming years a major objective must be a reduction in the rate of increase of costs and this must be a main factor to be considered in deployment of resources of manpower, capital investment and operating assets, the chairman adds.

The accounts show the chairman's emoluments at December 31 were up 32.2 per cent at £59,606 (£45,081).

On the future Lord Armstrong comments that the group is well placed to meet all challenges. Midland is still looking for the biggest expansion to come in banking related services and international banking.

Following the failure of negotiations aimed at the acquisition of Walter E. Heller International Corporation of Chicago, last year, the group is continuing to investigate suitable opportunities to expand its representation in the U.S.

As reported on March 15, group taxable profit improved from £231.4m to £315.5m and the net dividend is stepped up to 20p (16.44166p).

At year-end, customers advances were up at £12.31bn (£9.47bn) and current, deposit and other accounts amounted to £18.04bn (£13.83bn). Contingent liabilities in respect of acceptances and engagements were ahead from £1.9bn to £2.64bn.

Capital spending commitments totalled £146.9m (£123.8m) of which £88.8m (£67.9m) had been authorised but not contracted.

An issue of U.S.$125m guaranteed floating rate notes 1989 was made in December by the bank's Dutch subsidiary Midland International Financial Services BV. The proceeds have been lent to the bank for its international business.

Meeting, the Chartered Insurance Institute, EC, on April 30 at noon.

BOARD MEETINGS

The following companies have notified dates of board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether dividends are interims or finals and the sub-divisions shown below are based mainly on last year's timetable.

TODAY

Interims:—A. Arenson, Burns-Anderson, C.L.R.P. Investment Trust, M.T.D. (Mangula), Peachey Property, Portland Holdings, Yarrow.

Finals:—BICC, Berkeley Hambro Property, Bestwood, Biddle, Black and Edgington, Bridon, Brooks Watson, Carron, Crosby, Guest Keen and Nettlefolds, Hanger Investments, Harris Queensway, Hillians Footwear, I and J Hyman, Kleinwort Benson Lonsdale, Jove Investment Trust, F J C Lilley, Phoenix Assurance, Royal Worcester, Solicitors' Law Stationery Society, Sun Alliance and London Insurance, Trans-atlantic Market Trust, Wilkinson Warburton, Willis Faber.

FUTURE DATES

Interim:—

Lowland Investment	Apr. 18

Finals:—

BPC	Apr. 10
Brown and Jackson	Apr. 10
Croda International	Apr. 9
Doies Estates	Apr. 15
East Rand Consolidated	Apr. 8
Finlan (John)	Apr. 16
General Investors and Trustees	Apr. 10
Greenbank Industrial	Apr. 9
Home Charm	Apr. 15
Huntleigh	Apr. 14
London Atlantic Investment Tst	May 21
Provident Life Assoc. London	Apr. 15
Rowan and Boden	Apr. 8
Ruberoid	Apr. 9
Stewart Wrightson	Apr. 11
Sykes (Henry)	Apr. 10
Taylor Woodrow	Apr. 10
Vitatron N.V.	Apr. 9

IBSTOCK JOHNSEN RESIGNATION

Mr. Anthony King, a director of Ibstock Johnsen, the brick maker and agent for wood pulp, has resigned from the Board by mutual agreement to develop his private interests." He is to remain a consultant to the group for an unspecified time. Ibstock described the arrangements as "amicable."

Ingall midway downturn

ON TURNOVER unchanged at £2.13m, taxable profits of Ingall Industries fell from £131,000 to £91,000 for the half year ended December 31, 1979.

The directors state that external strike action caused a substantial falling off in orders, resulting in losses for two of the engineering companies.

The funeral furnishings side of the business continues successfully, however, and directors anticipate paying a 10 per cent increase in total dividends for the year. The interim now declared is 0.74p (0.67p) net per 10p share—last year's total was 2.06p, paid from pre-tax profits of £438,000.

First half profit was struck after interest up slightly at £27,000 against £24,000, and was subject to tax of £47,000 (£68,000).

Savoy Hotel profits more than halved after interest jump

MAINLY due to nearly doubled interest charges, up from £518,633 to £1.03m, pre-tax profits of Savoy Hotel more than halved to £[illegible]9,496 for 1979, compared with £1.1m.

A decline of 14 per cent in the number of visitors from the U.S. to the group's hotels had affected first half results—there was a £[illegible],000 loss against £432,000 profit.

And, with high interest rates, the directors said it was likely that full year results would be disappointing.

The dividend is unchanged at 1.49p net per 10p "A" ordinary share—holders of 5p "B" ordinary shares receive half the amount.

Profits for the year were also struck after £3.25m (£2.79m) cost of general maintenance, depreciation and amortisation of £508,384 (£438,037), and included £79,0[illegible]6 (£81,357) interest and dividends received. Last year there was a £13,229 refund of rates in respect of previous years.

Tax charged amounted to £75,892 compared with a £123,593 credit, leaving net profits well behind at £443,604 (£1.23m).

Minorities took £17,724 (£49,227) and there was an extraordinary credit of £33,244 (£282,444 debit) making the attributable balance £459,124 (£901,287).

The directors say there was again considerable capital expenditure on the company's property. Additions to fixed assets cost £1.57m during the year—including the previous two years, a total of £4.64m had been spent on improvements.

Yearlings unchanged

The coupon rate on this week's batch of local authority yearling bonds is maintained at 17¼ per cent. Issued at par, they mature on April 8, 1981.

The issues are: Great Grimsby BC (£1m), West Oxfordshire DC (£0.25m), North East Fife DC (£0.5m), Lothian RC (£1.35m), Nuneaton BC (£0.5m), Doncaster Metropolitan BC (£1.35m), Bassetlaw DC (£0.5m), Brentwood DC (£0.25m), Islwyn BC (£0.5m), London Borough of Lewisham (£1m), Royal Borough of Kensington and Chelsea (£0.5m), Slough BC (£0.5m), South Wight BC (£0.25m), Kirklees Metropolitan BC (£0.75m), City of Salford (£0.5m), Middlesbrough BC (£0.5m), Allerdale DC (£0.25m), Metropolitan Borough of Rotherham (£0.5m), Greater Manchester Passenger Transport Executive (£0.5m), Lanark DC (£0.25m), Borough of Poole (£0.5m) and Warwickshire CC (£1m).

London Life lifts bonus

The London Life Association is improving its reversionary bonus rate by 10p to £4.90 per cent of the basic benefit and attaching bonuses. This applies to all assurances, deferred annuities on the compound bonus system. The rate for the simple bonus series is lifted by 30p to £9 per cent of the basic benefit.

On the Association's unique reduction of premium system, the increase in rates of reduction or percentage allocation is maintained at 10 per cent for the 68th and earlier series and at 8 per cent for the 69th and later series.

The company improved its terminal bonus rates at the beginning of the year.

RESULTS AND ACCOUNTS IN BRIEF

UNITED STATES DEBENTURE CORPORATION—Results for year ended January 31, 1980, reported on February 21. With net assets of £86.63m (£88.31m) the directors say that in spite of uncertainties they intend to maintain a fully invested position. It is intended to achieve the company's objectives through equity investments in the UK, U.S. and Canada.

INVESTMENT TRUST OF GUERNSEY—Results for 1979 reported March 4. Investments totalled £9.41m (£10.02m)—unrealised appreciation £2.06m (£3.26m). Net current assets £490,412 (£23,0[illegible] liabilities). Chairman says directors anticipate revenue will show reasonable increase in 1980. Meeting, St. Peter Port, April 18, 2.30 pm.

FIRST CASTLE SECURITIES—Final dividend 0.724p net making total 1.327p (1.166p) for year to January 31, 1980. Turnover £2,251,000 (£1,310,000), profit £345,000 (£285,000) after tax charge £6,000 (credit £15,000). Earnings per 10p share 6.97p (5.2p). Board has concentrated on both strengthening the position of the group companies within own fields and developing activities to cover changing and widening trading circumstances.

JOSEPH HOYLE AND SON (spinners and manufacturers; subsidiary of [illegible])—Turnover half-year ended September 29, 1979, £3,771,418 (£2,[illegible],911). Trading profit £218,235 (£226,974). Pre-tax loss £[illegible],412 (profit £75,[illegible]) after group management and interest charge £196,297 (£100,819), etc. Tax £750 (£882). Deduct extraordinary items £12,484 (£37,893).

ELECTRIC AND GENERAL INVESTMENT—Gross income nine months to February 29, 1980, £807,432 (£885,034). Net revenue £398,361 (£288,148) after tax £218,509 (£174,201), equal to 2.2p (1.58p) per share. Net asset value 120.9p (106.4p at November 30, 1979).

ABBUTHNOT GOVERNMENT SECURITIES TRUST—Net revenue after expenses for half-year to January 31, 1980, £385,527 (£108,474). Equalisation on shares issued £150,431 (£29,583) making £527,018 (£138,057). Board [illegible] optimistic view on course of [illegible] over next 12 months and remains confident of future prospects.

TOWN CENTRE SECURITIES—Revenue for six months to December 31, 1979, £1,119,517 (£869,926). Profit £421,082 (£371,280) before tax £219,000 (£193,000).

FELIXSTOWE TANK DEVELOPMENTS (member of National Freight Corporation)—Turnover for 1979 £1,236,743 (£1,003,195). Net profit £278,009 (£238,038) after tax £137,508 (£81,364). Earnings 27.8p (23.8p). Final dividend 12.5p making 15.0p (12.5p). Comps restated because of change in provision for deferred tax.

HALL-THERMOTANK (refrigeration, heating and ventilation subsidiary of APV Holdings)—For 1979, turnover £79.72m (£81.74m), pre-tax profit £4.2m (£4.39m), tax £1.76m (£1.78m). Attributable profit £2.41m (£2.53m). Earnings per share 9.3p (9.8p). Dividend adsorbs £1m (£935,000).

HOUSE PROPERTY COMPANY OF LONDON—Final dividend 3.5p making 4.5p (2.1p) net for 1979. Revenue surplus £39,920 (£12,201). Tax £18,306 (£6,278). Add surplus on sale of properties £85,354 (£79,307). Earnings per 50p share 2.16p (0.59p).

DINKIE HEEL (safety footwear)—Turnover for 1979 £1,680,640 (£1,373,010), profit £238,280 (£291,848), before tax £53,604 (£17,883). Attributable profit £203,981 (£273,765) after extraordinary credit £19,305 (nil). Net final dividend 0.25p making 0.5p (same) total. Chairman states that 1979 extremely difficult. Although new factory completed in March, 1979, it was not fully operational until early in 1980. For a substantial portion of the year, manufacture was split into three separate locations in Kingswood, Melksham and in Warmley. Although this added significantly to costs and resulted in lower profits, there was minimum disruption in supplying customers.

WATMOUGHS (HOLDINGS) (printer, publisher and packager)—Results for 1979 reported March 19, 1980, in full preliminary report. Current assets £3.77m (£3.08m); decrease in working capital £75,031 (£139,300 increase). Chairman states that further growth is anticipated in security printing and packaging interests, and he expects the year as a whole to be one of further progress for the group. Meeting, Leeds, April 24, noon.

RICHARD CLAY AND CO. (book printer and binder)—Results for year to December 28, 1979, already known. Current assets £7.78m (£5.19m), current liabilities £4.55m (£2.53m). Increase in working capital £285,800 (£1.34m). CCA profit £1.22m (£1.51m) against historical £2.01m (£1.9m). Chairman states that with capital equipment acquired over the past years, the addition of Fakenham Press and Wensum Graphics and the setting up of the Singapore company, he is confident the group is on a sound base to meet present competition, and very well placed to take advantage of the upturn in the market which surely must come.

H. WOODWARD AND SON (commercial vehicle, car sales, service)—Results for year ended September 30, 1979, already known. Group fixed assets £878,943 (£788,073). Net current assets £1.69m (£1.43m). Mr. R. G. Norris to be succeeded as chairman by Mr. Geoffrey Sutton, after annual meeting to be held at Altcar Works, Formby, Liverpool, April 25, 3 pm.

AMERICAN TRUST COMPANY—Final dividend 1.25p (1p) making 1.85p (1.55p) net for year to January 31, 1980. Available revenue £1.65m (£1.38m) after tax of £1.25m (£1.04m). Net asset value per 25p share, 65.3p (60.6p). Stated earnings, 2.05p (1.7p).

EPICURE HOLDINGS—Results for half year to December 31, 1979, already known. Chairman reports that turnover is running above last year's level and hopes for satisfactory result. Property revaluation as at December 31, 1978 will be updated at June 30, 1980, and incorporated in the balance sheet at that date.

TOMATIN DISTILLERS—Results for 1979 published March 18, 1980. Current assets £7.71m (£6.21m) including stocks £5.5m (£3.97m), current liabilities £4m (£3.07m) including secured overdraft £2.16m (£1.21m). Increase in working capital £588,000 (£344,000).

EUROPEAN OPTIONS EXCHANGE

Series		April Vol.	April Last	July Vol.	July Last	Oct. Vol.	Oct. Last	Stock
ABN C	F.280	—	—	3	8.80	1	4.50	F.260
AKZ C	F.99.30	—	—	9	1.40	105	8.20	F.ee.40
AKZ C	F.25	50	0.20	24	0.70	76	1.20	"
AKZ C	F27.50	—	—	10	0.40	64	0.60	"
AKZ P	F.25	5	2.70	20	4.20	5	4.70	"
AKZ P	F.27.30	1e	3.30	—	—	—	—	"
ARB C	F.55	—	—	1	1.70	10	3	F.53.90
ARB C	F.60	—	—	—	—	5	1.50	"
EK C	$50	—	—	2	3	—	—	$47½
HEI C	F.60	—	—	0	8	—	—	F.69
HEI C	F.0e	10	4.50	1	5.70	e	6.70	"
HEI C	F.70	113	1.60	10	3.20	—	—	"
HEI C	F.78	—	—	18	2	—	—	"
HEI P	F.65	2	0.80	—	—	—	—	"
HEI P	F.70	10	8	80	0	—	—	"
HG C	F.17.50	—	—	—	—	4	2	F.17.80
KLM C	F.60	40	4.70	48	e.20	10	7.90	F.63.20
KLM C	F.70	40	0.30	39	2.60	51	4	"
KLM C	F.80	—	—	43	0.70	77	1.40	"
KLM C	F.90	—	—	20	0.30	—	—	"
KLM P	F.60	74	1.40	43	4.40	1	6.80	"
KLM P	F.70	02	7.80	4	8.20	—	—	"
KLM P	F.80	2	18.70	10	16.50	—	—	"
NN C	F.100	1	4.60	1	7	—	—	F.104.90
NN C	F.110	—	—	—	—	4	4	"
NN C	F.113	—	—	32	1.20	0	2.50	"
NN C	F.120	—	—	—	—	2	1.60	"
NN P	F.100	—	—	2	1.50	—	—	"
PHI C	F.17.50	15	0.50	19	1.10	32	1.50	F.17.50
PHI C	F.20	—	—	20	0.50	50	0.70	"
PHI C	F.17.60	—	—	10	1.30	—	—	"
PHI P	F.20	9	0.60	5	2.80	—	—	"
PHI P	F.20.50	4	3	—	—	—	—	"
RO C	F.140	10	14	—	—	—	—	F.153.30
RO C	F.140	9	0.50	4	10	—	—	"
RD C	F.150	230	5.30	38	7.90	5	11.20	"
RD C	F.160	07	1.30	50	4.40	48	e.30	"
RO C	F.170	60	0.20	60	1.60	41	3.70	"
RD P	F.140	e3	0.50	55	4	34	7	"
RO P	F.145	305	1.30	—	—	13	2	"
RD P	F.150	152	2.30	17	8.60	7	1e	"
RO P	F.160	31	8.60	21	14.20	—	—	"
RD P	F.170	10	10.60	—	—	—	—	"
UNI C	F.115	—	—	21	1.40	—	—	F.105.70
UNI C	F.12e	4	0.10	—	—	—	—	"
		May Vol.	May Last	Aug. Vol.	Aug. Last	Nov. Vol.	Nov. Last	
BA C	$60	2	0¼	—	—	—	—	$53⅜
BAS C	DM.130	—	—	7	3	—	—	DM136
MMW C	DM.100	—	—	2	0	—	—	DM121
OXY C	$25	20	1⅛	—	—	—	—	$23

TOTAL VOLUME IN CONTRACTS 2464

C=Call P=Put

BASE LENDING RATES

- A.B.N. Bank ... 17 %
- Allied Irish Bank ... 17 %
- Amro Bank ... 17 %
- American Express Bk. 17 %
- Henry Ansbacher ... 17 %
- A P Bank Ltd. ... 17 %
- ■ Arbuthnot Latham ... 17 %
- Associates Cap. Corp. 17 %
- Banco de Bilbao ... 17 %
- Bank of Credit & Cmce. 17 %
- Bank of Cyprus ... 17 %
- Bank of N.S.W. ... 17 %
- Banque Belge Ltd. ... 17 %
- Banque du Rhone et de la Tamise S.A. ... 17½ %
- Barclays Bank ... 17 %
- Bremar Holdings Ltd. 18 %
- Brit. Bank of Mid. East 17 %
- ■ Brown Shipley ... 17 %
- Canada Perm't Trust... 18 %
- Cayzer Ltd. ... 17 %
- Cedar Holdings ... 17 %
- ■ Charterhouse Japhet... 17 %
- Choulartons ... 17 %
- C. E. Coates ... 17 %
- Consolidated Credits... 17 %
- Co-operative Bank ... *17 %
- Corinthian Secs. ... 17 %
- The Cyprus Popular Bk. 17 %
- Duncan Lawrie ... 17 %
- Eagil Trust ... 17 %
- E. T. Trust Limited ... 17 %
- First Nat. Fin. Corp.... 19½ %
- First Nat. Secs. Ltd.... 19 %
- Robert Fraser ... 18 %
- ■ Antony Gibbs ... 17 %
- Greyhound Guaranty... 17 %
- Grindlays Bank ... ‡17 %
- ■ Guinness Mahon ... 17 %
- ■ Hambros Bank ... 17 %
- ■ Hill Samuel ... §17 %
- C. Hoare & Co. ... †17 %
- Hongkong & Shanghai 17 %
- Industrial Bk. of Scot. 17½ %
- Keyser Ullmann ... 17 %
- Knowsley & Co. Ltd.... 19 %
- Langris Trust Ltd. ... 17 %
- Lloyds Bank ... 17 %
- Edward Manson & Co. 18 %
- Midland Bank ... 17 %
- ■ Samuel Montagu ... 17 %
- ■ Morgan Grenfell ... 17 %
- National Westminster 17 %
- Norwich General Trust 17 %
- P. S. Refson & Co. ... 17 %
- Rossminster ... 17 %
- Ryl. Bk. Canada (Ldn.) 17 %
- Schlesinger Limited ... 17 %
- E. S. Schwab ... 17 %
- Security Trust Co. Ltd. 18 %
- Standard Chartered ... 17 %
- Trade Dev. Bank ... 17 %
- Trustee Savings Bank . 17 %
- Twentieth Century Bk. 17 %
- United Bank of Kuwait 17 %
- Whiteaway Laidlaw ... 17½ %
- Williams & Glyn's ... 17 %
- Wintrust Secs Ltd. ... 17 %
- Yorkshire Bank ... 17 %

■ Members of the Accepting Houses Committee.
* 7-day deposits 15%, 1-month deposits 15¼%.
† 7-day deposits on sums of £10,000 and under 15%, up to £25,000 15¼% and over £25,000 15½%.
‡ Call deposits over £1,000 15%.
§ Demand...

هكذا من الأصل

CURRENCIES, MONEY and GOLD

$ stays strong

The dollar remained very firm in the foreign exchange markot yesterday, and was held down by further intervention from European central banks. Tho U.S. currency rose to its highest level since September 1978 against tho D-mark, and its highest point since Juno 1978 in terms of the Swiss franc. The dollar closed at DM 1.9705, compared with DM 1.9510, after trading within a range of DM 1.9580 to DM 1.9800, and finished at SwFr 1.8700, compared with SwFr 1.8510, after trading between SwFr 1.8555 and SwFr 1.8780. It also rose sharply against the Japanese yen, closing at Y254.40, compared with Y249.85.

The dollar's trade-weighted index, as calculated by the Bank of England, rose to 91.8 from 90.8, the highest level since November 1977.

Sterling showed little change against European currencies, but lost ground to tho dollar. It opened at $2.1525-2.1535, and touched a high point of $2.1545-2.1555, before falling sharply to $2.1260-2.1275 in the morning. It recovered to $2.1375-2.1385 at noon, and moved within a narrower range in the afternoon to close at $2.1420-2.1430, a fall of 2.15 cents on the day.

The pound's index, on Bank of England figures, fell to 72.3 from 72.6, after standing at 72.3 at noon and 72.5 in the morning.

D-MARK—Weaker within the European Monetary System and against the dollar following expectations of a continuing balance of payments deficit in Germany, and effects of anti-inflation measures and higher interest rates in the U.S.—The D-mark showed mixed changes at the Frankfurt fixing, but remained one of the weakest members of tho EMS. The French franc—strongest currency in the EMS—was unchanged at DM 43.40 per 100 francs, and tho Italian lira was also steady, but the Dutch guilder and Belgian franc gained ground against the D-mark, while the Danish krone and Irish punt declinod. Outside the EMS the Swiss franc fell to DM 1.0548 from DM 1.0556 at the fixing, but sterling rose to DM 4.2170 from DM 4.2140. The Bundesbank gave heavy support to the D-mark in the open market, estimated at $100m, and also sold $39.9m when the dollar rose to DM 1.9770 from DM 1.9419 at the fixing.

ITALIAN LIRA—Weaker within EMS recently, and now around middle of tho system after rising to the top during February. Also down against the dollar, leading to expectations of firmer interest rates to prevent capital outflows—The lira was firmer against most EMS currencies at the Milan fixing, bu tdeclined against the dollar. The French franc rose to L200.70 from L200.59, and the Dutch guilder to L442.84 from L422.59, bnt the D-mark fell to L461.57 from L462.30, and the Irish punt — second strongest member of the EMS—to L1,739 from L1,743.

FRENCH FRANC—Remaining firm at top of EMS, helped by foreign capital inflows — The franc improved against the D-mark at tho Paris fixing, and also rose against the Danish krone, but lost ground to the Belgian franc, Italian lira and Dutch guilder. Outside the EMS the dollar and sterling were firm, but the Swiss franc declined slightly.

DANISH KRONE—Remaining weak near bottom of EMS, despite two devaluations in last 12 months—Tho krone was weak against most currencies at the Copenhagen fixing, losing ground the D-mark, French franc and Italian lira. Tho dollar rose to DKr 6.1345 from DKr 6.0295, and sterling to DKr 13.1120 from DKr 13.0695.

EMS EUROPEAN CURRENCY UNIT RATES

	ECU central rates	Currency amounts against ECU April 1	% change from central rate	% change adjusted for divergence	Divergence limit %
Belgian Franc ...	39.7897	40.6050	+2.05	+0.93	±1.53
Danish Krone ...	7.72336	7.86473	+1.83	+0.71	±1.64
German D-Mark	2.48208	2.53547	+2.15	1.03	±1.125
French Franc ...	5.84700	5.84025	−0.12	−1.24	±1.3557
Dutch Guilder ...	2.74362	2.76893	+0.92	−0.20	±1.510
Irish Punt ...	0.668201	0.672981	+0.71	−0.41	±1.668
Italian Lira ...	1157.79	1168.50	+0.93	+0.32	±4.08

Changes are for ECU, therefore positive change denotes a weak currency. Adjustment calculated by Financial Times.

THE DOLLAR SPOT AND FORWARD

April 1	Day's spread	Close	One month	% p.a.	Three months	% p.a.
UK†	2.1260-2.1555	2.1420-2.1430	0.17-0.27c dis	−1.23	0.80-0.90dis	−1.59
Ireland†	1.9035-1.9100	1.9070-1.9100	0.05-0.15c dis	−0.63	0.65-0.75dis	−1.47
Canada	1.1969-1.1990	1.1973-1.1978	0.45-0.40c pm	4.25	1.12-1.05 pm	3.62
Nethlnd.	2.1505-2.1635	2.1505-2.1520	1.72-1.68c pm	9.43	4.75-4.65 pm	8.74
Belgium	31.52-31.69½	31.52-31.54	7-5½c pm	2.37	21-18 pm	2.47
Denmark	6.0595-6.1370	6.0595-6.1020	par-0.60ore dis	−0.50	2.25-2.75dis	−1.66
W. Ger.	1.9580-1.9800	1.9700-1.9710	1.78-1.68pf pm	10.41	4.80-4.70 pm	0.84
Portugal	51.55-51.80	51.55-51.65	5c pm-10 dis	−0.58	25-pm-25 dis	—
Spain	73.40-73.70	73.40-73.50	30-55c dis	−8.93	75-95 dis	−4.62
Italy	911.00-912.60	911.00-912.00	1½-½ lire pm	1.32	2-1 pm	0.66
Norway	5.2190-5.2290	5.2210-5.2220	2.00-1.50ore pm	4.02	6.10-5.60 pm	4.48
France	4.5200-4.5580	4.5370-4.5400	2.40-2.25c pm	6.15	6.65-6.55 pm	5.91
Sweden	4.5165-4.5270	4.5235-4.5245	2.25-2.05ore pm	5.70	6.90-6.70 pm	6.01
Japan	252.30-254.70	254.35-254.45	1.20-1.05y pm	5.31	2.60-2.45 pm	3.97
Austria	14.10-14.15¼	14.10-14.11	11.25-10.50gro pm	9.25	34.00-31.50pm	9.28
Switz.	7.8665-1.8780	1.8695-1.8705	2.23-2.15c pm	14.05	5.93-5.85 pm	12.60

† UK and Ireland are quoted in U.S. currency. Forward premiums and discounts apply to the U.S. dollar and not to the individual currency.

THE POUND SPOT AND FORWARD

April 1	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	2.1260-2.1555	2.1420-2.1430	0.17-0.27c dis	−1.23	0.80-0.90dis	−1.59
Canada	2.5580-2.5820	2.5645-2.5655	0.75-0.65c pm	3.27	1.45-1.35 pm	2.16
Nethlnd.	4.60-4.64	4.60½-4.61½	3¼-2¾c pm	7.18	8¼-7¼ pm	6.72
Belgium	67.45-67.85	67.50-67.60	10c pm-par	0.89	25-15 pm	1.18
Denmark	13.06-13.14	13.06-13.07	1⅞-3⅜ore dis	−2.41	10⅛-11⅞dis	−3.41
Ireland	1.1190-1.1230	1.1206-1.1210	0.05-0.01p pm	0.32	0.14-0.09 pm	0.41
W. Ger.	4.20-4.24	4.22-4.23	3½-2⅞pf pm	8.87	8⅞-7⅞ pm	7.93
Portugal	110.20-111.00	110.50-110.70	5c pm-40 dis	−1.90	5-110 dis	−2.08
Spain	155.65-157.35	157.20-157.30	75-130c dis	−7.82	260-295 dis	−7.06
Italy	1,938-1,953	1,952-1,953	2½-½ lire pm	1.07	2½-4½ dis	−0.72
Norway	11.13-11.23	11.15¾-11.16¾	3½-1½ore pm	2.89	8½-6¼ pm	2.71
France	0.67-0.76	8.72-9.73	4½-3½c pm	4.63	10½-8½ pm	4.11
Sweden	0.64-0.71	9.68-9.69	4¼-3½ore pm	4.80	10¼-9¼ pm	4.03
Japan	538-550	544½-545½	1.95-1.55y pm	3.86	3.85-3.45 pm	2.68
Austria	30.10-30.28	30.20-30.25	25-15gro pm	7.94	80-60 pm	7.28
Switz.	3.98½-4.02½	4.00½-4.01½	4¼-3¼c pm	12.72	11½-10½ pm	10.97

Belgian rate is for convertible francs. Financial franc 69.95-70.05. Six-month forward dollar 1.30-1.40c dis, 12-month 0.80-0.90c dis.

CURRENCY RATES

Mar. 31	Bank rate %	Special Drawing Rights	European Currency Unit
Sterling	17	0.577432	0.600552
U.S. $	13	1.25118	1.30290
Canadian $	14	1.49000	1.05084
Austria Sch	6¾	17.4014	18.0973
Belgian F	14	38.9993	40.6081
Danish K	13	7.03281	7.85778
D'Mark	7	2.42967	2.53283
Guilder	9½	3.66120	2.77061
French Fr.	9½	5.60341	0.84024
Lira	15	1123.87	1170.65
Yen	e	312.420	325.985
Norwgn. Kr.	0	6.46860	6.75227
Spanish Pts.	9	90.4603	94.1865
Swedish Kr.	10	3.37638	5.82917
Swiss Fr.	3	2.30430	2.40033

CURRENCY MOVEMENTS

Mar. 31	Bank of England Index	Morgan Guaranty Changes %
Sterling	72.3	−32.4
U.S. dollar	91.8	−2.1
Canadian dollar	80.8	−18.1
Austrian schilling	142.0	+02.4
Belgian franc	113.1	+10.3
Danish kroner	104.2	−6.0
Deutsche mark	149.8	+42.0
Swiss franc	185.3	+71.8
Guilder	123.7	+18.8
French franc	99.1	−5.3
Lira	32.8	−50.8
Yen	118.4	+14.4

Based on trade weighted change from Washington agreement December, 1971 (Bank of England Index=100).

OTHER CURRENCIES

April 1	£	$		£ Note Rates
Argentine Peso	3741-3701	1744-1751	Austria	29.90-30.20
Australia Dollar	1.9845-1.9885	0.0270-0.2280	Belgium	69.30-70.10
Brazil Cruzeiro	06.78-100.78	46.60-43.80	Denmark	13.05-13.12
Finland Markka	8.28-8.22	0.0310-3.e330	France	e.64-8.70
Greek Drachma	90.334-09.463	41.40-41.30	Germany	4.20-4.22½
Hong Kong Dollar	10.87½-10.88½	8.0945-5.0995	Italy	1910-1955
Iran Rial	n/a	n/a	Japan	541-546
Kuwait Dinar(KD)	0.587-0.597	0.2770-0.2771	Netherlands	4.56¼-4.60¼
Luxembourg Frc.	37.50-67.60	31.52-31.04	Norway	11.12-11.12
Malaysia Dollar	4.9560-4.9700	2.3180-2.3210	Portugal	107½-112½
New Zealand Dlr.	8.2865-2.2910	1.0680-1.0690	Spain	162¼-159½
Saudi Arab. Riyal	7.07-7.17	0.3300-3.3020	Sweden	2.63-2.69
Singapore Dollar	4.9360-4.9500	0.3070-2.3100	Switzerland	3.97½-4.00½
Sth. African Rand	1.7345-1.7355	0.8095-0.8100	United States	2.131-2.140
U.A.E. Dirham	7.94-8.04	3.7370-3.7390	Yugoslavia	60¼-62¼

Rate given for Argentina is free rate.

EXCHANGE CROSS RATES

Mar. 31	Pound Sterling	U.S. Dollar	Deutschem'k	Japan'se Yen	French Franc	Swiss Franc	Dutch Guild'r	Italian Lira	Canada Dollar	Belgian Franc
Pound Sterling	1.	8.143	4.225	545.0	0.725	4.010	4.810	1953.	2.565	67.0
U.S. Dollar	0.407	1.	1.270	254.4	4.539	1.972	2.152	911.3	1.197	31.3
Deutschemark	0.237	0.507	1.	18e.0	2.302	0.949	1.091	462.1	0.607	15.9
Japanese Yen 1,000	1.830	5.931	7.752	1000.	17.84	7.358	8.459	3583.	4.70e	12.9
French Franc 10	1.028	2.203	4.344	350.4	10.	4.123	4.740	2008.	2.638	69.0
Swiss Franc	0.249	0.534	1.054	130.9	2.42e	1.	1.150	486.2	0.640	16.5
Dutch Guilder	0.217	0.465	0.918	118.2	2.110	0.870	1.	423.5	0.556	14.5
Italian Lira, 1,000	0.512	1.027	0.164	279.1	4.081	2.054	2.361	1000.	1.314	34.0
Canadian Dollar	0.390	0.835	1.647	218.5	3.791	1.063	1.787	791.2	1.	26.4
Belgian Franc 100	1.480	5.172	0.055	800.8	14.40	6.938	0.825	2890.	3.727	100

EURO-CURRENCY INTEREST RATES

The following nominal rates were quoted for London dollar certificates of deposit: one-month 18.90-19.00 per cent; three-months 19.10-19.20 per cent; six-months 19.10-19.20 per cent; one year 17.65-17.75 per cent.

April 1	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	West German Mark	French Franc	Italian Lira	Asian $	Japanese Yen
†Short term	17¾-18	18¾-19¼	9½-9⅞	10¼-10½	5⅝-7⅛	8⅝-8¾	12¾-13	12-14	—	12-11⅛
7 days' notice	18-19¼	18¾-19¼	9½-9⅞	10⅜-10⅝	2¼-2½	8½-8½	10⅞-13⅛	15¾-18⅞	12⅝-19⅞	10½-11
Month	18⅝-18⅞	19¼-19½	14⅝-15	10⅝-10⅞	3⅛-6¼	0⅝-9⅞	13½-13¾	10¾-17⅞	18⅛-18¼	14⅜-14⅝
Three months	19⅛-19⅜	20⅛-20⅝	10⅝-15¾	11⅛-11⅝	7⅛-7¼	10⅛-10¼	14⅛-14⅝	18½-19⅝	20¼-20⅝	15⅝-15⅞
Six months	18⅞-19⅛	19⅛-19⅜	15⅝-15¾	11¾-12	7⅝-7¾	10⅛-10½	14⅜-14⅝	13½-12⅛	10¾-12⅞	14⅝-15
One year	17½-17¾	17¾-19	10⅞-15⅛	12¼-18½	7⅛-7¼	10¼-10⅜	14⅞-15⅛	18¼-17	17⅞-18	13⅜-13⅝

Long-term Eurodollar two years 15⅞-16⅛ per cent; three years 15⅜-15⅝ per cent; four years 15⅜-15⅝ per cent; five years 14⅞-15⅛ per cent; nominal closing rates. Short-term rates are call for sterling, U.S. dollars, Canadian dollars and Japanese yen; others two days' notice. Asian rates are closing rates in Singapore.

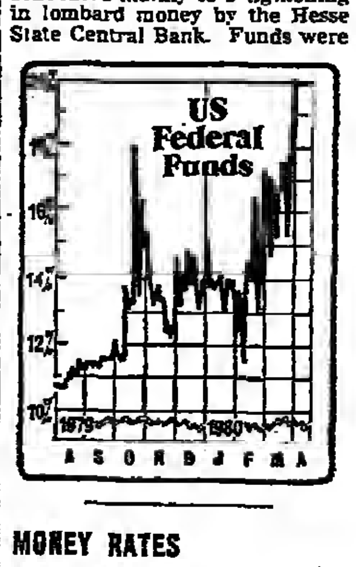
INTERNATIONAL MONEY MARKET

European rates mixed

Interest rates showed no clear trend in Europe yesterday, with French rates showing an easier tendency and rates in Germany slightly firmer. On Monday French call money was adjusted into line with the official intervention rate of 12½ per cent, but with funds remaining in ample supply yesterday, the rate fell back to 12¼ per cent. Period rates were also easier, showing falls of up to ¼ per cent. In Frankfurt call money rose to 9.00-9.20 per cent from 8.50-8.70 per cent with longer term rates firmer. Six-month money was higher at 10.05-10.40 per cent compared with Monday's level of 10.00-10.20 per cent.

The rise of nearly one full point in call money was attributed mainly to a tightening in lombard money by the Hesse State Central Bank. Funds were also drained by the Bundesbank's intervention in the foreign exchange market to support the D-mark.

In Brussels deposit rates for the Belgian franc were unchanged overall from Monday while Euro-Belgian franc rates were slightly easier. Interest rates have been fairly steady for the past few days as the authorities' policy of supporting the franc within the EMS with high interest rates appears to be paying off.



GOLD

Slight fall

Gold fell $1 to close to $500-506 in quiet trading in the London bullion market yesterday. It also opened at $500-506, and fell to a low point of $493-499, touching a best level of $513-518. The continued strength of the dollar and lack of any unsettling economic or political news tended to keep the market quiet.

In Paris the 12½-kilo bar was fixed at FFr 73,000 per kilo ($498.52 per ounce) in the afternoon, compared with FFr 72,250 ($494.10) in the morning, and FFr 71,50 ($496.56) Monday afternoon.

In Frankfurt the 12½-kilo bar was fixed at DM 32,000 per kilo ($504.66 per ounce), compared with DM 30,970 ($496.03) previously, and closed at $501-56, compared with $497-502 on Monday.

In Zurich gold finished at $511-518, compared with $493-50 previously.

	April 1		Mar. 01	
Gold Bullion (fine ounce)				
Close	$500-506	(£234.e50)	$601-507	(£231¼-234¼)
Opening	$500-506	(£237.975)	$508-014	(£233-233)
Morning fixing	$501.30	(£224.e50)	$503.25	(£231.539)
Afternoon fixing	$506.50	(£237.075)	$594.50	(£228.090)
Gold Coins				
Krugerrand	$517-820	(£241½-244½)	$527-532	(£243-246)
Mapleleaf	$310-520	(£238-243)	$520-530	(£240-245)
New Sovereigns	$128-131	(£59¾-61¼)	$130-133	(£60-62)
King Sovs	$141-145	(£66-68)	$145-150	(£67-70)
Victoria Sovs	$141-145	(£66-68)	$145-150	(£67-70)
French 00s	$118-123		$119-123	
50 pesos Mexico	$625-633		$616-623	
100 Cor. Austria	$465-503		$490-500	
$20 Eagles	$605-615		$605-615	
$10 Eagles	—		—	
$5 Eagles	—		—	

UK MONEY MARKET

Moderate help

Bank of England Minimum Lending rate 17 per cent (since November 15, 1979)

Day to day credit remained in short supply in the London money market yesterday and the authorities gave a moderate amount of assistance. This comprised small purchases of Treasury bills, direct from the discount houses, and a small number of corporation bills both from the banks and discount houses. The help was made up with moderate loans to 2 or 3 houses at MLR, for repayment to-day. Tho market was faced with a small net take up of Treasury bills to finance and a small increase in the note circulation. There was also the repayment of Monday's moderate advances and banks brought forward balances a small way below target.

On the other hand there was a very large excess of Government disbursements over revenue transfers to the Exchequer. Discount houses were paying up to 17 per cent for secured call loans at the start, with later balances taken as low as 16 per cent.

In the interbank market overnight money opened at 18-18½ per cent and eased to 17½-17¾ per cent by noon before falling away at the close to around 10 per cent.

Rates in the table below are nominal in some cases.

MONEY RATES

NEW YORK

Prime Rate	19½-19¾
Fed. Funds	19¾-20¼
Treasury Bills (13-week)	14.86
Treasury Bills (26-week)	14.75

GERMANY

Discount Rate	7
Overnight Rate	9.10
One month	9.30
Three months	10.0
Six months	10.225

FRANCE

Discount Rate	0.5
Overnight Rate	12.5
One month	12.9375
Three months	13.375
Six months	13.625

JAPAN

Discount Rate	9
Call (Unconditional)	12.1250
Bills Discount (three-month)	13.8125

LONDON MONEY RATES

April 1 1980	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount market deposits	Treasury Bills ♦	Eligible Bank Bills ♦	Fine Trade Bills ♦
Overnight	—	10-19¼	—	—	—	17½	16-17	—	—	—
2 days notice	—	—	19½	—	—	—	—	—	—	—
7 days or	—	—	—	—	—	—	—	—	—	—
7 days notice	—	19-19¼	18½-18⅞	—	18½	—	—	—	—	—
One month	18½-18⅝	18⅝-18½	18⅜-18¾	19⅜-10	18¾	18¼-18½	16⅝-17	—	—	—
Two months	18⅛-18¼	18⅛-18⅞	—	10-18½	18¾	18¾	16¾	16⅛-16⅜	18⅛-18½	18⅝
Three months	18½-18¼	18½-18⅝	18¼-18⅝	18¾-17⅝	18½	—	16¾	15⅞-10¼	17⅞-17⅞	18¼
Six months	18⅛-18⅜	18¼-18¾	18½-18⅜	17⅞-17½	18⅝	19¾	16¾	18⅝-16⅞	17⅞	18⅛
Nine months	18¼-18⅞	17⅝-17⅞	—	17⅞-17⅜	19	18½	—	—	10¾	17⅛
One Year	17⅝-17	17⅜-17⅝	17⅝-18¼	17⅜-17⅛	17¾	18	—	—	—	—
Two years	—	—	17⅛-17½	—	—	—	—	—	—	—

Local authorities and finance houses seven days' notice, others seven days fixed. *Long-term local authority mortgage rates nominally three years 16¾-16⅞ per cent; four years 15-16⅛ per cent; five years 16-16⅛ per cent. ♦Bank bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 17½ per cent; four-month trade bills 17⅞ per cent.

Approximate selling rates for one-month Treasury bills 16 per cent; two-month 16⅛ per cent; three-months 16⅞ per cent. Approximate selling rates for one-month bank bills 17⅞-17⅞ per cent; two-months 16⅞ per cent; three-months 17⅞ per cent; one-month trade bills 18⅛ per cent; two-months 18 per cent; and three-months 17⅞ per cent.

Finance Houses Base Rates (published by the Finance Houses Association) 18 per cent from April 1, 1980. Clearing Bank Deposit Rates for sums at seven days' notice 15 per cent. Clearing Bank Rates for lending 17 per cent. Treasury Bills: Average tender rates of discount 16.2838 per cent.

Lloyds Bank business finance adviser

Mr. John Kirkwood has been appointed by LLOYDS BANK as a small and medium business finance adviser. He will be one of a team of specialists established within the Bank to assist industry. Mr. Kirkwood joined the bank in 1957 and worked in branches in Lancashire and the West End of London before spending a year with the Bank of London and South America. He was then with the bank's export finance division for three years, where he was involved with export support for small firms. Since 1976, he has been manager of Lloyds Bank Epsom branch.

Mr. John Kirkwood

*

Guinness Peat Group has formed a subsidiary called LEWIS AND PEAT (TRADING) to co-ordinate the group's commodity activities worldwide. Its Board consists of Mr. D. L. Burt (chairman), Mr. R. D. Cowing, Mr. D. L. Cowley, Mr. R. D. Kissin, Mr. T. Lawson, Mr. W. H. Phillips, Mr. R. C. Watts and Mr. J. F. J. Wheeler. The group's existing commodity companies continue under their present managements. Mr. Percy Glaser will be retiring as managing director of Lewis and Peat (Rubber) on April 30. Mr. D. L. Cowley and Mr. L. C. Picking will become joint managing directors of that company.

*

ELECTROCOMPONENTS states that by mutual agreement Mr. R. S. Gibbons has ceased to be a non-executive director. Mr. Gibbons will be developing his own company, in marketing services and manufacturers' representative.

*

Mr. Richard Samways has ben appointed by the CO-OPERATIVE BANK as controller of its international division based at the Lemain Street branch, London.

*

Mr. J. C. Thompson has been appointed managing director of HIGHER SPEED METALS, a subsidiary of Marshalls (Halifax). He remains managing director of member company HIP (Powder Metals). Mr. E. B. Clark continues as director in charge of day-to-day operations at Higher Speed Metals.

*

Mr. H. M. Rebinow has retired from the Board of ROTHSCHILD INVESTMENT TRUST. Mr. James Joll, who is joining S. Pearson and Son, has also left the Board of RIT.

*

Mr. A. R. Devereux has resigned from the Board of SCOTCROS because of his recent appointments, including the chairmanship of the Scottish Tourist Board.

*

Mr. A. W. Frost and Mr. R. R. Williams have been appointed directors of C. E. HEATH AND COMPANY. Mr. Frost is at present managing director of C. E. Heath and Company (Marine) and Mr. Williams is managing director of C. E. Heath Underwriting (Australia) Pty.

*

Mr. C. E. Banham has been appointed sales and marketing director of AVELING BARFORD.

*

Lord Chelwood, chairman of the COMPTON WEBB GROUP OF COMPANIES has retired from the Board and has been succeeded by Mr. David Alliance, chief executive of Vantona Group, of which Compton Webb forms part.

*

Mr. Malcolm J. Sergent and Gillian M. Eustance have joined the Board of CROWN HOUSE. Other appointments within the group are Mr. Raymond M. Parker, a director of Crown House Contractors; Mr. R. Norman McAuslan, chairman, Mr. Gerald R. Parker, managing director, and Mr. Brian C. Boyes, a director, of Crown House Engineering Limited; Mr. Graham D. Atkin, financial director on the Board of Crown House Engineering International; and Mr. Raymond A. Marshall and Mr. Michael R. Wing to the Board of Best and May. Mr. P. M. Furse has resigned from the group.

*

Mr. Peter Bosworth, establishment officer with the GLC Public Health and Engineering Department, has been elected president of the INSTITUTE OF TRAINING AND DEVELOPMENT for 1980-81.

*

Mr. Richard Kelsall has been appointed to the newly-created post of financial and corporate affairs director at BURSON-MARSTELLER.

*

Mr. Oliver Fyson has been elected president of the MECHANICAL HANDLING ENGINEERS' ASSOCIATION, Mr. Peter Denning is first vice-president and Mr. Cyril Garrard second vice-president. Newly-elected members of the executive committee are Mr. D. Hall, Mr. R. E. Pace and Mr. E. L. Wright. The retiring president is Mr. Clive Wildsmith.

*

Mr. Alan H. C. Colls has been appointed a director of STEWART WRIGHTSON HOLDINGS.

*

Mr. David Bruce, senior partner of Deloitte Haskins and Sells in Glasgow, has become president of the INSTITUTE OF CHARTERED ACCOUNTANTS OF SCOTLAND and, succeeding Mr. Donald B. Grant of Dundee.

*

Mr. Norman C. Simmons has been appointed director of engineering for FRUEHAUF EUROPE INCORPORATED, a subsidiary of the Fruehauf Corporation of America. He was previously the engineering director of Crane Fruehauf.

*

Mr. J. E. Sunderland has retired from the Board of UAC INTERNATIONAL.

*

Mr. Bruce M. Drew, general manager, Agrochemicals Division of MAY AN DBAKER, has joined the Board of the company.

Mr. Lionel D. Clarke has retired from the Board of CLARKSON HOLT of which he was chairman.

*

Mr. Keith Hester has been appointed director-in-charge of RACAL COMMUNICATIONS EQUIPMENT.

Mr. Walter Oppenheimer, who retired from the Board of WESTLAND AIRCRAFT last February, cootinues to represeot the compaoy as a council member of the SOCIETY OF BRITISH AEROSPACE COMPANIES. He remains chairman of the Joint Review Board Advisory Committee.

*

Mr. P. H. W. Soothern has been appointed commercial director of the ENGLISH INDUSTRIAL ESTATES CORPORATION.

*

Mr. Mervyn Thomas has been appointed director of the NATIONAL TYRE DISTRIBUTORS ASSOCIATION, having previously held tha office of national secretary.

*

Mr. R. W. Crook has been appointed managing director of TI MIDAS, which was formed last year. He will be based in the UK.

*

Mr. Geoffrey H. Nuttall has been appointed prodoction director of B. S. AND W. WHITELEY and Mr. Martin C. Riddell joins the company's management group as technical manager.

*

The IMPERIAL LIFE ASSURANCE COMPANY OF CANADA announces the constitution of an Advisory Board for Great Britain. Io addition to Sir Henry Johnson, who is a director on the main Canadian Board and will act as chairman, Sir Richard Marsh, chairman of Allied Medical Group, and M. Andre Plagnol, vice-presideot, Natiooal Bank of Canada—Europe, Middle East and Africa—join the Advisory Board. Mr. J. A. Kempton, senior vice-president and general manager for Great Britain, who is also a member of the main Canadian Board, will be a member of the Advisory Board.

*

Mr. Ronald Winford has been appointed secretary of COUTTS AND CO., to succeed Mr. Michael Nunan, who is retiring.

*

Mr. M. G. King and Dr. D. D. Brown have retired from the Board of CSR as executive directors appointed under Article 88. It was earlier announced that Sir Leslie Thiess had accepted an invitatioo to join the CSR Board from April 1. Sir Lesli ehas since requested that the taking np of his appointment be deferred to enable him to attend to some private matters.

*

Mr. Frank Woodford and Mr. Stuart Mackenzie have been appointed managers and Mr. Tom Ford and Mr. Colin Taylor assistant managers of BUTLER TILL, sterling money brokers.

*

Mr. Christopher L. Verity has been appoioted marketing director of SPINNEYS (1948). He was previously with Gallaher International as commercial mnnager.

*

Mr. J. C. Golding, Mr. G. Syrpis and Mr. P. Talbot Willcox have been appointed to the Board of EGGAR FORRESTER (HOLDINGS).

*

Mr. R. W. Aitken is leaving the partnership of BINDER HAMLYN from April 30 to concentrate full time on his various directorships and other outside interests.

*

Mr. Alan Sayer has been appointed to the Board of NEWALL ENGINEERING as production director. He was previously manager of manufacturing at Landis Lund.

*

Mr. Brian T. Stow has been appointed a director of BUTTERICK FASHION MARKETING COMPANY (UK).

*

The Minister of State for Health has appointed Mr. Thomas W. Borges as chairman of the ROYAL NATIONAL ORTHOPAEDIC HOSPITAL. Mr. Borges als succeeds Mr. W. M. Cunningham, who has retired, as chairman of the Institute of Orthopaedics in the British Postgraduate Medical Federation, University of London.

NORTH AMERICAN NEWS

Dow buys stake in Dutch refinery

By Sue Cameron, Chemicals Correspondent

DOW CHEMICAL EUROPE is to buy a 20 per cent stake in Total Rafiosderij Nederlsnd — part of the Compagnie Francaise des Petroles group—which bas s refinery at Flusbing in the Netherlands.

CFP aod Dow intend to build s conversion unit st ths refinery to increase the amount of chemical feedstock. When the unit is completed, Dow will increase its interest in the refinery to 45 per cent.

Chemical feedstock from the refinery will be used at Dow's own petrocbemicals complex at Terneuzen, also in the Netherlands.

Massey in plant site talks

By Robert Gibbens in Montreal

MASSEY-FERGUSON has held talks with the Caoadian Government oo the possible location of s diesel engine plant in Canada, probsbly in the Windsor area of Southern Ontario.

The plant could make eogioes for tractors, trucks or cars. However, the company sald that Windsor is one of six cities in Canads being considered, and location in two other countries is possible.

Amdahl in $330m computer merger

BY DAVID LASCELLES IN NEW YORK

A MERGER which would create one of the largest companies in the U.S. electronics business was announced yesterday by Amdahl, the fsst-growing but recently troubled Californian company, and Storage Technology, the Colorado manufacturer of computer sub-systems.

The merger is worth about $330m, and would create a company with annual sales of close on $1bn.

The merger marks the second time in a year that Amdahl has sought a tie-up with a medium-sized electronics concern in order to bolster its position in a highly competitive market.

But the proposed merger with Memorex, the Santa Clara manufacturer of computer peripherals, fell througb without explanstion last November.

Under the terms of a letter of intent on the new merger, Amdahl shareholders would get one share in the merged company for each Amdshl sbare. Storage Technology shareholders would get three-quarters of a share. Amdahl has about 16.8m shsres outstanding, worth about $19 each, and Storage Technology 24.6m shares worth $14. This gives the deal a value in the range of $320m to $340m.

Amdahl was founded only 10 years ago by Mr. Gene Amdahl, a former IBM computer expert, who built the company up from scratch to a $350m a year sales outfit. However, the company bas proved bighly vulnerable to the receot volstility of the computer market. In the final quarter of lsst year its earnings dropped by nearly 100 per cent, and full-year earnings were down a third.

The company has also put together a $200m line of credit to tide it over cash management problems. It lost some of its allure when Mr. Amdahl resigned last autumn.

Storage Technology has a similar history to Amdahl. Founded in 1969, it has grown to $600m a year in sales. However, its earnings have also been hit by price competition and the shift towards rentals in the computer market.

Under the proposed management structure for the merged concern, Storage Technology's cbairman and president, Mr. Jesse Aweida, will become chairman and chief executive. Mr. Eugene White, will become deputy chairman, and Amdahl's president, Mr. John Lewis, its president and chief operating officer.

Posner reverse in final quarter

BY OUR NEW YORK STAFF

TWO COMPANIES controlled by Mr. Victor Posner, the Mismi businessman, sbowed sharp drops in earnings in the fiosl quarter of last year, although full year figures showed an improvement.

NVF, the parent company of the Posoer empire, had final quarter earnings of $1.6m, down from $18.4m, in the same period nf 1978. Bnt full year figures were up from $36.5m or 50 cents a sbare to $58.6m or 76 cents due to a $11.1m gain (equivalent tn 14 cents per share) oo shsres owned by Sharon Steel, NVF's main subsidiary, in Reliance Electric. Reliance was bought last year by Exxon for $1.2bn. The 1979 earnings also inclnde a $2.4m gain on the sale of Sbaron's bolding in Studebaker-Worthington.

Sharon itself had a bad final qnarter due to the weakness of the steel market. Earnings were down from $7.7m or 9 cents a sbare to $3.1m or 3 ceots, althougb it increased its earnings for the year as a wbole from $37m or 45 cents a share to $58.6m or 71 cents, largely due to the Reliance and other share sales.

Sharon also made an undisclosed gain from the psrtial liquidation of UV Ipdustries, which it acquired last year. UV was in the process of going into voluntary liquidation when Mr. Posner launcbed an unexpected but acceptable takeover bid.

CALIFORNIA TAX LAWS

UK banks find the climate sticky

Expansion plans by UK and other foreign banks have been hit by Federal Reserve restrictions and heavy state taxes, says MARK BLACKBURN in San Francisco.

THE CALIFORNIA climate has turned against foreigo banks, and British institutions operatiog there threatened aloog with the rest.

Not only have their expansion plans falleo under the cloud of recent Federal Reserve restrictions on credit applying to all banks across the country, but also their California taxes may not fall with the restulting drop in revenues. This problem arises because California assesses multinational corporations on a percentage of world income. The recent sbarp increases in British bank earnings in the UK have therefore increased their tax bills bere.

At the same time, a Bill lo Congress to require Federal Reserve membership of all banks could, if successful, reduce ths amount of money California cbartered subsidiaries have availsble for lending. Federal Reserve membersbip would oblige the banks now outside the system, including the California subsidiaries of Lloyds and Barclays, to keep interest-free reserves with the Fed—from the banks' poiot of view, takiog lendable money out of circulation.

Foreign banks operating in the U.S. now bold about one-quarter of their assets in California, and most of the rest in New York. Moet of the California assets are accounted for by British and Japanese banks — respectively $9.1bn and $16.2bn out of a totsl of $31.7bn last June 30, the latest date for which complete figures are available. British assets have increased since then to perhaps $10bn.

The bulk of this amount ie represented by the Staodard Chartered group's Union Bank subsidiary ($6.5bn) at the end of 1979, by Lloyds Bank California ($2.47bn) and Barclays Bank of California ($698m). A handful of other banks maintain Californian agencles to seek out corporate business, but their reported sssets in the state are negligible. Of the tbree principal banks, Standard Chartered was the first to arrive, coming in 1964 to combat Bank of America's expansion into its Far Eastern territory.

Barclays establisbed itself the following year, and Lloyds came in 1974. They now own, respectively, the 6th, 9th and 12th largest banks in the state.

Standard Chartered's initial strategy was to creste a retail network from scratch under direct British management, and Barclays followed suit. But Lloyds eclipsed them oo arrival by acquiring in 1974 s state bsnk with more branches than both of them put together—98 st the eod of last year, compared with 53 for Barclays and 37 for Stsodard Chartered's Bank of London.

Standard Cbartered then took off in a new direction in 1978 by acquiriog Union Bank, which bad long specialised in loans to business rather than the consumer. Its existing retail operatioo was merged into the new bank last January 1. Union's existing mansgement remaioed in plsce, with the chairman of the Chartered Bank of London, Mr. Norman Eckersley, scting as advisor and chairman of the bolding company.

Union Bank, like other U.S. banks, mnst now operate within credit guidelines imposed by the Federal Reserve. If the bank observes them, as it says it will, it is hard to see bow it can expand corporate loans appreciably in the year ahead. Ordered to keep all loans from increasing by more than 9 per cent, it has—like its domestic rivals—essentially been told not to grow.

The imposed alteration in bsok strategy ie more pronounced at Lloyds, which has bad to abandon the aggressive courting of new busioess which bas characterised it for the past four years.

According to Mr. Robert Brown, Lloyds' president, new loans hsve been iocreasing st a rate of 25 per cent a year. To reroain under the 9 per cent ceiling, it has increased consnmer loan interest charges to its competitors' levels, reduced the maturity of new-csr loans from five yesrs to four and is restricting oew loans to existing customers.

"We do not expect to earn as much ln 1980 as in 1979," Mr. Brown says.

At Barclays, Mr. Dennis Ford, the presideot, has bad to put a nioe-mooth effort to increase corporate loans oo tbe sbelf. "I hsve in the last three days turned down $70m worth of excellent business thst we really want to do," be explains.

A new corporate development team of 24 hss built up such loans from $53.6m when he took over last June to more tban $200m. But now the team ls idle, and to stay within the guidelines it might be obliged to refuse to renew loans already made. "It's rather beartbreaking," Mr. Ford says.

From the bank's point of view, longstanding California tax policy rubs salt into these wounds. Io the case of Barclay's, according to Mr. Ford, its tax for 1979 was set oo the assumption that lts California operations cootributed 1.1 per ceot of group earnings of $1.3bn.

The true percentage was lower, be says, adding: "Even if we made a loss this yesr, we would pay $1.5m in California tax."

The banks are cootesting this tax, which is known as the unitary tax. It is the subject of a court cşse filed by the Hongkong and Shanghai Banking Corporation, as well as of s Bill under study by a committee of the State Assembly. But it is is oot yet clear whether the tax will ultimately stay or go.

INTERNATIONAL CAPITAL MARKETS

World Bank to borrow DM 300m

By Peter Montagnon

THE WORLD BANK is negotiating with Deutsche Bank the issue of a loan totalling DM300m on the German capital msrket.

According to officials at the German bank, details could be finislised tomorrow. At the moment, discussions are centring around a two-tranche operation in equal amounts of DM150m with a coupon of 10 per cent, par issue price and maturities of six and 10 years respectively.

The loan would be a considerable boost to oew issue activity oo this market, where a calendar of only DM 200m was set for the current mooth wheo the Capital Markets Sub-Committee met last week.

In sddition to the World Bank loan, another new deal emerged yesterday. This is a DM 40m, five-year privste placemeot for the Jspao Synthetic Rubber Company. Lead manager Berliner Handels- und Frankfurter Bank said that indicated cooditions are a coupon of 10¼ per cent and an issue price around par.

Prices on the German market were well maintained yesterday with little overall change in relatively low turnover. Dealers said that some investors were re-investing interest receipts io the market. This particularly applies to Swiss investors, for wbom the yield on German paper is considerably higber than can be obtalned at home.

Swiss foreign bond prices were about ½ poiot higher as the market is beginning to feel a shortage of oew issues.

The two-tranche convertible issue for Denki Kagagu Kogyo was signed yesterday. The $15m tranche was fixed by lead manager Nikko Securities, with an 11 per ceot coupon and a conversion premium of 9.83 per ceot, while the SwFr 30m traoche, led by Psribas (Suisse), has a 7 per cent coupon and a conversion premium of 5.07 per cent.

Prices on the straight dollar Eurobood msrket, meanwhile, rose by an average of ¼ point.

Reuter adds from London: Itel Corporation of San Francisco missed paymeot of about $2.4m of interest due yesterday on a $25m Eurobond raised by its Itel Finance Ioternational MV, Curacao, subsidiary, Eurobood dealers said.

The dealers said they were adivsed that no funds are svailable for the payment, the annual payment of interest on the 9¾ per cent 1988 debeotures.

They said, however, that the company has 30 days' grace in paying interest before the bood would be declared io default.

$450m loan for Greece

By Our Euromarkets Staff

THE CENTRAL Bank of Greece is to raise a £450m, eight-year syndicated loan with a spread over Libor of ¾ poiot throughout.

The loan, wbich is much larger than the $300m origioally projected, will be managed by a group of oioe ioternationsl banks, with Bank of Montreal acting as agent, Westdeutsche Landesbank handling the documents aod Bankers Trust the books.

Other banks in the maangemeot group are Banque Nationale de Paris, Chsse Manhattan, Credit Lyonnais, Deutsche Bank, Natiooal Bank of Canada and Lloyds Banks International.

It is understood that Greece had been holding out for a ½ poiot margin element in the deal, but this proved unrealistic in current market conditinns.

The terms compare with a spread of ¾ per ceot over 10 years awarded on a $500m loan by the same borrower last November.

The current deal cootsins a commitment fee of ⅜ per cent. Managemeot fees were not disclosed.

Memorex/Olivetti

In an article in yesterday's editions concerning a joint venture between Memorex and Olivetti, figures for the two companies' interest io the concern were inadverteotly traosposed. The correct figure for Olivetti's interest is 60 per cent and for Memorex 40 per cent.

Ashland Oil predicts strong advance

By Our Financial Staff

ASHLAND OIL expects earnings for the current first half to exceed $200m or $3.50 a share, up from $81m or $2.13 for the corresponding period of 1979, according to Mr. Orin Atkins, the chairman.

Mr. Atkins also repeated an earlier forecast that Ashland was looking for a 20 per cent increase for the full year, to about $6.50 a share. The company will also have gains from planned reductions in stock levels and non-recurring items.

A process called "reduced crude csnversion," which the company has developed, will make a contribution to future earnings, Mr. Atkins said. The process converts high sulphur beavy fuel oil, now selling at $11.50 a barrel, into more profitable products, such as petrol and petrochemical raw materials, which can fetch almost $40 a barrel.

Polaroid spending

Polaroid, the camera group, said in its annual report that it estimated 1980 capital expenditures would drop to about $80m from the $135m spent last year, Reuter reports from Cambridge. The company said it financed its working capital requirements last year with short-term loans and expects to continne this policy during 1980.

Cummin's depressed

Cummins Engine's first quarter earnings will be depressed by slowing in the U.S. economy and the effects of the five-month strike at International Harvester, a major customer, Mr. James A. Henderson, president, told the annual meeting, Reuter reports from Columbus. In last year's first quarter earnings ewer $22.5m or $2.66 a share.

Repair sector upturn helps to cut loss at Dutch shipbuilder

BY CHARLES BATCHELOR IN AMSTERDAM

AN UPTURN in the ship repair sector and the transfer of responsibility for offshore and large ship construction to the state allowed the Dutch shipbuilding group, Rijn-Schelde-Verolme (RSV) to improve its results in 1979.

The company expects that the restructuring which has been carried out will enable it to continue this positive trend in the 1980s.

RSV reduced its after-tax loss to Fl 21.9m ($10.2m) from Fl 59.7m in 1978. It made an operating profit for the first time in four years, of Fl 15.1m compared with a loss of Fl 77.8m. The operating profit was adversely affected by a number of incidental items whicb led to a net charge of Fl 37m.

The result was influenced by the fact thst from January 1979 the state took over responsibility for the losses of tha yards making large offshore structures and ships. On the other baod, the 1979 result benefited from s book profit of Fl 60m from the sale of company-owned housing.

Taking account of these factors, RSV's profits improved by nearly Fl 100m in 1979. It once again proposes to pass its dividend, after last paying Fl 18 per share in 1975.

The improvement last year was largely because of a better result from the repair activities.

Turnover fell to Fl 2.2bn ($1bn) last year from Fl 2.5bn but this reflected the hiving off of the large shipbuilding and offsbore activities.

● Naarden International, the Dutcb flavours and fragrances group, had a small net profit in 1979 after going beavily into the red the year before. It also completed a financing agreement with two partly state-owned banks, whereby it has placed new shares which have increased its issued capital of Fl 22.4bn by nearly a quarter.

The company reported a net profit of Fl 2.7m ($1.3m) compared with a loss of Fl 24.4m in 1978. The 1979 result included an incidental tax benefit of Fl 3.5m, while the 1978 loss included Fl 20.2m provisions for reorganisation.

Profit setback at LMT

BY TERRY DODSWORTH IN PARIS

NET PROFITS of Le Materiel Telephonique (LMT), the telecommunications subsidiary of the French Thomson Group, dropped sharply last year to FFr 50.7m ($11.5m) from FFr 78.9m.

Tha profits take into account the results of ths Société des Telephones (STE), the former Ericsson subsidiary in France which was takeo over by Thomson some time ago. STE was finally absorbed by LMT last June and its accounts fully integrated within the telecommunications subsidiary from the beginning of the year.

The merger failed to make any great impact on sales last year, which came out at about FFr 3.2bn, roughly the same level as achieved in 1978.

LMT claims, bowever, that its order books grew rapidly last year, going np by 33 per cent compared with 1978 to FFr 4.6m. Of this total, export orders reached FFr 1.3bn against FFr 504m.

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bood issues for which an sdequste secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices published on the second Monday of each month.

Closing prices on April 1

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Alcoa of Australia 10 89	60	82⅝	83	+1	+2⅝	13.34
Alex Howden XW 9½ 91	30	†66	67½	−0⅛	−4¼	16.07
Australian Res. 9⅝ 84	30	94	84½	0	+0⅜	14.75
Avco O/S Cap. 10¼ 97	40	74¼	75¼	−1	−1	16.52
Beneficial Fin. 9⅝ 87	100	79¾	80¼	+0¼	+0⅞	14.32
CECA Grad. Rate 12 99	100	88½	88⅞	−0⅛	0	14.78
CECA 11⅝ 90	50	86	87	+0¼	+0¼	14.24
Canadian Pacific 9¾ 89	50	80½	81	+0⅜	+0⅝	13.54
Carter Hawley 9¾ 88	60	81⅜	91⅝	+0⅛	+0⅞	14.44
Cemalco Inv. E. 10½ 91	40	81⅜	81⅞	+1	+2⅜	13.51
Continental Grp. 9⅝ 86	100	81	81⅝	+0¼	+0¼	14.33
Dome Petroleum 10 94	50	77⅞	78⅛	0	+0⅛	13.54
Dominion Bridge 10⅛ 84	30	87⅛	87⅜	+0⅛	+0⅝	14.42
EIB 11⅜ 92	80	84⅞	85¼	+0⅜	+0⅛	14.42
EIB 10.15 99	100	†73½	75	−0⅜	+1	14.56
Ekportfin 11¼ 87	50	88⅝	89⅝	+0⅛	+0⅞	13.98
Export Dv. Cpn. 9¾ 94	100	94	94⅝	+0⅛	+0⅛	14.82
Export Dv. Cpn. 8⅞ 84	150	84⅞	84⅞	+0⅛	+0⅛	14.71
Finland 9⅝ 88	100	75½	78	−0⅜	−0⅛	14.97
GTE Finance 9⅞ 89	55	79⅝	80⅛	+0¼	+0⅛	13.69
GMAC 9¼ 86	100	81	91⅛	+0¼	+0⅛	13.93
GMAC O/S Fin. 11 84	100	89⅝	90	+0⅜	+0⅛	14.08
Gould Int Fin. 9⅞ 85	50	83⅞	84½	+0⅛	+0¼	14.47
ITT Antilles 9½ 89	75	77⅞	78⅜	+0⅛	+1⅜	13.87
Kennecott Int. 9½ 86	100	80½	81	+0⅞	+1⅜	14.43
Manitoba 9½ 89	75	78⅜	78⅜	+0⅛	+0⅜	13.86
Michelin 10 94	125	76½	77	+1	+2⅜	13.77
Nat. Dev. Telecm. 9½ 86	100	81⅜	82⅛	+0⅛	0	14.04
New Brunswick 8⅜ 94	75	73⅞	74¼	+0¼	+0⅜	14.08
Newfoundland 10 94	50	78⅝	79⅛	+0⅜	+0⅞	13.42
Norges Komm. 9⅞ 99	100	†73½	73⅝	+0⅜	+1⅜	14.34
Norway 9½ 84	150	84⅝	85⅜	+0⅛	+0⅜	14.66
Nova Scotia Pwr. 9⅜ 99	50	80⅜	90⅜	+0⅛	+1¼	13.59
Occidental Fin. 10¼ 84	50	86¼	86½	0	+0¼	14.78
Pennwalt O/S F 9⅜ 94	25	84½	84⅞	0	+1	14.94
Pepsico Cap. 9¼ 94	100	85⅛	85⅜	+0⅛	+0⅜	14.32
Quebec Hydro 10 99	75	75⅜	76	+0⅜	+7⅜	13.60
Sears Roebuck 9 82	150	89½	90	+0⅛	+0⅛	15.69
Statoil 9⅝ 89	100	79⅛	79⅜	+0⅛	+1	13.61
Sweden 9⅜ 89	100	79⅛	79⅜	+0⅜	+0⅞	13.87
Sweden 9½ 86	200	80⅜	81⅛	−0⅜	0	14.81
Sweden 9⅜ 84	100	84⅜	85⅛	+0¼	+0⅞	14.82
Unilever NV 9¾ 87	100	80½	80⅝	+0⅛	+0⅞	13.64
Warner-Lambert 9 84	100	83⅛	89⅞	+0¼	+0⅛	14.37
Average price changes... On day +0¼ on week +0⅛						

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
African Dev. Bk. 8 87	100	89⅝	90⅜	−0⅛	−1⅜	9.92
Asian Dev. Bk. 7¼ 89	100	80⅜	80⅞	−0⅛	0	10.89
Australia 8⅛ 90	250	94½	95⅛	0	0	8.90
Barclays O'seas 6¾ 89	100	90	81	−0¼	+1½	10.13
BFCE 7⅛ 87	100	90⅜	91⅛	−0⅛	+0⅛	9.66
BFCE 8⅛ 95	100	86⅞	87⅞	−1⅜	+1¼	8.77
Brazil 8 87	150	87⅞	88⅛	+0⅛	+2	10.35
CECA 7 91	150	83⅜	83⅞	0	0	8.47
Council of Eur. 7¼ 89	100	86½	87¼	+0⅛	+0⅛	9.46
Denmark 7⅞ 88	100	89	89⅜	−0½	−0⅛	10.38
Denmark 8⅛ 92	100	87⅜	89¼	+0⅜	+1⅜	10.06
EEC 7⅞ 84	225	87	87¼	−0⅛	+1⅝	8.50
EIB 7½ 89	250	85⅜	86⅛	+0⅛	+2⅜	9.93
Finland Rep. of 8 86	150	91	92	0	+0⅛	9.77
Kobe, City of 7⅛ 89	150	82½	83⅛	−0⅜	+0⅛	8.98
Neder. Gasunie 8 86	100	92⅜	93⅜	+1½	+0⅜	9.45
New Zealand 7⅛ 97	200	85⅞	86⅝	+0⅛	+2⅛	9.78
Norges Komm. 7⅜ 91	150	86⅜	87⅞	+0⅜	+2½	9.47
Norway 7½ 85	250	92⅝	93⅜	+0⅜	+1⅜	9.30
OKB 7⅞ 89	100	82⅜	83⅜	+0⅛	+0⅛	10.29
Oslo, City of 9¼ 90	80	94⅞	95⅜	−0¼	−0⅛	9.53
World Bank 7⅜ 91	400	83⅜	84⅛	+0⅛	+0⅜	10.18
World Bank 7⅞ 90	250	88	88⅜	+0⅛	+1⅜	9.77
Average price changes... On day 0 on week +1						

SWISS FRANC STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Argentina 5½ 89	80	87	87½	+0⅛	+1	7.45
Aumar 5 89	80	85½	86⅞	+1½	+2¼	7.13
Australia 3⅞ 89	250	80⅛	91½	+1⅜	+1	8.90
Bergen, City of 6¾ 91	40	84⅜	85	+0⅞	+1⅜	6.72
BNOE 5 88	75	81⅜	81⅞	+0⅜	+3⅜	7.83
BMW Overseas 4¾ 91	100	86⅝	87⅛	+1⅜	+4¼	5.83
Caisse Nat. Telc. 4⅜ 89	100	84½	85	+0⅜	+1⅛	6.60
CCCE 5¾ 90	100	96	96½	+0⅛	+1⅜	6.27
Copenhagen 4½ 91	80	78	78⅜	+1⅜	+2	7.35
Council of Eur. 6 89	100	86½	87¼	+1⅜	+2⅛	6.90
EIA 4½ 91	100	79	79½	−0⅛	+0⅛	7.26
EIB 4⅝ 94	100	78	78½	−0½	−0⅛	6.78
Elet. de France 4⅜ 89	100	85½	86	+0⅜	0	8.45
GZB 4⅜ 89	100	84½	85	0	+0⅜	6.43
Hilti 4½ 91	35	89¾	90⅛	+0⅛	+4⅞	5.43
Int.-Amer. Dev. 4½ 89	100	81	81½	+0⅛	+1	7.33
Jutland Tele. 5½ 90	50	84⅜	95⅛	+0⅜	+1⅜	6.21
Malaysia 5 89	80	85	85½	+0⅛	+1⅜	7.18
Nippon Tel. & T. 4⅜ 89	100	86	86½	+0⅞	+3⅞	6.20
Nordic Bank 5 89	45	88	89½	−1½	+0⅜	6.65
Norges Komm. 4⅜ 91	100	80⅜	81⅜	+0½	+0⅜	6.80
OKB 3⅜ 91	100	76⅛	76⅞	−0⅜	+3⅜	8.85
OKB 4⅜ 91	100	80½	81	+0⅜	+1	6.84
OKB 6 90	100	89	89¼	−0⅛	−0⅜	6.12
Oslo, City of 4⅜ 91	100	79⅝	80⅛	+0⅜	+1	6.96
Shikoku El. Pwr. 4¾ 89	100	89	90	+3¼	+4⅜	6.26
Steweag 4¾ 91	60	85	85½	+0⅜	+1	6.65
Voest-Alpine 4⅜ 88	90	85½	86	0	+1	9.80
World Bank 4⅜ 89	100	86½	87¼	+0⅜	+2⅛	6.54
World Bank 4⅝ 89	150	81⅜	81⅞	+0⅞	+2	7.10
World Bank 4⅜ 91	100	81	81½	+0⅛	0	7.04
Average price changes... On day +0¼ on week +1⅜						

YEN STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Australia 5.5 83	30	91⅜	82⅜	−0½	+1⅜	12.01
Australia 9½ 88	20	72⅞	73⅞	0	+0⅛	11.74
EIB 7⅜ 89	12	79½	80½	0	−1⅜	11.29
Finland 5.9 83	10	80	81	−2	−2	12.64
Finland 6.9 88	10	74	75	−0⅛	−2	11.83
Average price changes... On day −0⅛ on week −0⅛						

OTHER STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Avco Fin 10⅜ 88 C$	25	†78⅜	79⅜	−0⅛	−0⅛	15.88
Bell Canada 10⅛ 88 C$	60	85⅜	85⅞	0	−0⅜	14.24
Cr. Foncier 10⅜ 84 C$	30	†85	98	0	+0¼	16.01
Ex. Dev. Cpn. 10 84 C$	50	85⅞	86⅜	+0⅜	+0¼	14.70
Fst. Can. Inv. 10 84 C$	50	85	85½	−0⅜	+0¼	15.03
Hudson Bay 10½ 89 C$	60	78	78½	−0½	−0¼	15.06
Quebec 10⅝ 86 C$	50	82¼	83½	+0⅜	+0½	14.71
R. Bk. Canada 10 86 C$	40	84⅜	85¼	+0⅛	+0¼	13.76
R. Bk. Canada 10 94 C$	40	75½	76	+0⅛	+0⅛	14.02
Copenhagen 8¼ 91 EUA	20	87	89	0	−0½	10.59
M. Bk. Dnmk. 9 91 EUA	25	89⅝	91	+0⅛	−2	10.47
SOFTE 8¼ 89 EUA	40	82	84	0	+1⅛	11.36
U. Bk. Nrwy. 9½ 90 EUA	18	97⅝	98⅜	0	−0⅜	8.80
Algemene Bk. 8¼ 84 Fl	75	†91	91½	+0¼	−0⅛	10.80
Ned. Gasunie 8⅜ 84 Fl	50	89⅝	90⅛	+0⅜	−0⅜	11.89
Ned. Middbk. 8⅜ 84 Fl	75	89⅜	90⅜	+0⅜	+0½	11.51
Norway 8⅛ 84 Fl	100	90⅜	90⅜	+0¼	−0½	11.36
Norway 8⅛ 84 Fl	100	91⅜	91⅜	+0⅜	−0⅜	10.74
Philips Lamps 8⅛ 84 Fl	75	91⅜	81⅜	+0⅜	−0⅛	11.14
Air France 11 84 FFr	120	89¼	90½	+0⅜	−0½	14.16
CECA 14⅜ 98 FFr	150	98	98½	−0⅛	−0⅜	14.71
Euratom 9⅜ 87 FFr	150	79⅝	80⅜	+0⅛	−0⅜	14.38
Finland 11 84 FFr	80	87¼	88½	0	−0⅜	14.71
Finland 11⅜ 89 FFr	70	83⅜	84½	0	0	14.65
Gaz de France 11 94 FFr	150	88⅜	89⅛	+0⅛	−1⅜	14.47
IBM France 11⅞ 84 FFr	120	89⅜	91	+0¼	−0⅜	14.79
Renault 9⅜ 85 FFr	100	81⅞	82⅞	−0⅛	0	14.76
Saint-Gobain 9⅜ 88 FFr	130	80⅜	81⅜	+0⅜	0	14.68
Solvay et Cie 9⅜ 87 FFr	125	77¼	78¼	+0⅜	−0⅛	15.08
Citicorp O/S 13½ 90 £	50	90	90½	−0⅜	−0⅜	15.47
EIB 11½ 91 £	25	81⅜	82⅜	+0⅜	+1	14.84
Finance for Ind. 13 91 £	16	87⅜	88⅛	+0½	+0⅜	15.37
Fin. for Ind. 12½ 89 £	30	85½	86	+0⅜	+0⅜	15.49
Fin. for Ind. 14½ 89 £	20	95⅛	95⅜	+0⅜	+0⅜	15.51
Gen. Elec. Co. 12½ 88 £	50	89⅜	89⅞	+0¼	+0⅞	14.67
Indonesia 8¾ 91 KD	7	†93	93½	0	0	8.75
Mitsubishi 7½ 94 KD	10	†89⅜	90⅜	+0⅛	−1⅞	10.42
Norges Kom. 7½ 89 KD	12	†93⅜	93⅞	0	0	8.53
Occidental 8¼ 81 KD	7	†90⅜	90⅜	0	0	9.89
Akzo 9¼ 87 LuxFr	500	83⅛	84⅛	0	−0⅜	12.72
Euratom 8 87 LuxFr	500	77⅞	79⅜	0	+0⅜	13.01
Euratom 9⅜ 89 LuxFr	500	87⅜	88⅛	−0⅜	+0⅛	12.29
EIB 9⅜ 86 LuxFr	600	88½	90½	+0⅛	+1⅜	11.76
Volvo 9⅜ 87 LuxFr	500	86⅛	87⅛	0	+0⅜	12.54

FLOATING RATE NOTES	Spread	Bid	Offer	C.dte	C.cpn	C.yld
Allied Irish Bk. 5⅜ 87	0⅞	96⅜	96⅞	2/7	15⅛	15.66
Banco di Roma Int. 6 87	0¼	98⅜	98⅞	26/4	15¼	15.01
Bank of Ireland 5⅜ 89	‡0¼	96½	87	21/5	16⅛	16.67
Bank of Tokyo 5⅜ 89	‡0⅛	96⅜	97¼	25/4	14.56	15.01
Barclays O/S Inv. 5 90	0⅛	96⅜	96⅞	13/8	14⅛	14.75
Bergen Bk. A/S 8 89	‡0¼	96⅝	97⅛	29/5	17¼	17.91
Bque. Indo Suez 5¼ 89	0¼	86⅞	97⅛	11/7	14.88	15.12
Citicorp O/S F. 6 94	‡0⅛	99⅜	99⅝	8/8	18.81	18.93
Citicorp O/S F. 83	§‡0	98⅞	99½	23/5	18.06	16.16
Citicorp O/S F. 84	‡0	99⅜	99⅞	30/5	18.94	17.00
C. Itoh 5⅛ 87	0⅛	98¼	98⅜	18/8	19.44	19.73
Co-operative Bk. 6 86	0¼	97¼	97⅜	15/5	15.06	16.45
Creditanstalt 5½ 81	§‡0¼	98½	98⅞	14/6	18.44	18.69
CNT 5⅜ 88	§0¼	99⅛	99⅜	18/4	15.18	15.28
GZB 5½ 89	‡0¼	97¼	87¼	1/6	14⅛	15.08
Jugobanka 8 89	0⅞	92	83	23/5	18	17.30
Ind. Bank Japan 5⅛ 87	0⅛	97⅞	98⅜	15/4	14⅛	14.52
LTCB Japan 5⅛ 86	0⅛	96½	87	13/6	14⅛	14.73
LTCB Japan 5½ 89	0⅛	96½	96⅞	7/6	14.19	14.72
Mfrs. Han. O/S 5⅛ 94	‡0⅛	98⅜	98⅞	30/5	17⅛	17.36
Midland Intl. Fin. 6 89	0¼	87⅜	98¼	20/6	15	15.31
Nacional Fin. 6⅛ 86	0¼	98½	97	25/7	14.89	15.18
Nat. West. 5⅛ 94	§0¼	97½	98	11/4	14.94	15.28
Nippon Credit 6½ 98	0⅛	95⅞	86⅜	12/7	14.44	15.06
Nippon Credit 5¼ 87	‡0¼	96¼	97⅜	6/5	14.88	15.18
Royal Bk. Scot. 5⅛ 94	§‡0¼	98½	89	11/4	14⅛	14.81
Sec. C. de Bque. 6½ 87	0¼	97⅜	97⅜	3/4	13¼	13.59
Sogenal 5⅛ 89	§0¼	†96½	97	13/7	14.44	14.92
Standard Chart. 6¼ 90	0⅛	97⅝	98⅛	6/8	17¼	17.62
Sweden 8¼ 91	‡0¼	96⅞	97⅝	18/4	14.44	14.87
TVO Pwr. 9 91 (D-lock)	0⅛	96½	97	24/5	15.31	16.83
Williams & Glyn 5⅛ 91	0⅛	97½	89	14/8	18½	18.93
Sq. E. d'Alg. 4⅝ 88 SF	0⅛	87¼	89	18/8	6.69	7.57
Average price changes... on day 0 on week 0						

CONVERTIBLE BONDS	Cnv. date	Cnv. price	Bid	Offer	Chg. day	Prem
AGA Akt'bolag 7⅜ 89	10/79	145	101	102	+2	−10.30
Ajinomoto 7⅜ 95	2/80	618	85⅛	86⅜	+0⅛	3.00
Alco Int. Fin. 9½ 94	1/80	40	82⅜	83⅜	+0¼	24.11
Asahi Optical 7 94	11/79	606	82⅜	83¼	−0⅛	12.78
Canon 6⅜ 94	8/79	570	96	97	−0⅛	5.83
Ciba-Geigy O/S F. 4 94	9/79	†675	80	82	+0⅛	0.10
Credit Suisse 4⅜ 93	10/79	1325	82⅜	84⅜	−1½	−6.38
Dalal Inc. 6½ 84	11/79	1020	88⅝	89⅝	−0⅛	35.03
Enserch Fin. 9½ 94	7/80	30.25	97⅜	98⅞	+2¼	6.63
LPC Intrnatnl. 9 89	9/79	23.33	82⅝	84⅛	+0⅛	13.55
Moidenohe Elec. 7 94	12/79	210	85½	86½	+0⅛	9.25
Mitsubishi Cp. 6½ 94	10/79	604	111½	112¼	−2⅛	20.35
Nippon Selko 7⅛ 94	12/79	339	93¼	94¼	0	−2.30
Nitto Elec. Ind. 8 94	7/79	735	63½	64½	+0⅛	0.42
Toshiba Cpn. 7¼ 94	10/79	198	85⅞	86⅜	−0⅛	6.24
Union Bk. Switz. 5 89	2/80	125	82½	84	−0⅛	−15.40
Fujitsu 5 84 DM	7/79	475	88⅜	88⅝	−0⅛	4.21
Kansai Elec. 4 84 DM	4/79	1234	80⅛	81⅜	+0⅛	43.91
Tokyu Ld. Cp. 4 86 DM	4/79	493	71	72	0	35.62
Uny Co. 9½ 86 DM	11/79	1071	86⅜	87½	−0⅛	30.06

* No information available—previous day's price.

† Only one market maker supplied a price.

Straight Bonds: The yield is the yield to redemption of the mid-price; the *amount issued is in millions of currency* units except for Yen bonds where it is in billions. Change on week=Change over price a week earlier.

Floating Rate Notes: Denominated in dollars unless otherwise indicated. Coupon shown is minimum. C.dte=Date next coupon becomes effective. Spread=Margin above six-month offered rate (‡ three-month; § above mean rate) for U.S. dollars. C.cpn=The current coupon. C.yld=The current yield.

Convertible Bonds: Denominated in dollars unless otherwise indicated. Chg. day=Change on day. Cnv. date=First date for conversion into shares. Cnv. price=Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. *Prem*=Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

Spanish shipping group forced into bankruptcy

BY ROBERT GRAHAM IN MADRID

NAVIERA LETASA, a Bilbao-based shipping company, has been declared bankrupt with debts totalling Pta 10bn ($142m). This is the biggest bankruptcy case in Spain for a decade.

One prominent creditor said yesterday that Letasa had "good potential assets" in the form of a fleet of six ships—a 300,000 dwt ton supertanker, two 115,000 dwt OBO type tankers and three bulk carriers of 80,000 dwt, 53,000 dwt and 30,000 dwt. Total assets are said to be around Pta 11bn ($157m).

Several international shipping groups have shown an interest in part or all of the fleet. The latest offer of $80m for the latter five tankers has come from a Saudi trading group, Vameel.

So far all the offers have been rejected by the creditors. The main creditors are four banks, Bilbad, Aresbank (a joint Spanish-Arab bank), Bankunion and Atlantico. As of this week, however, matters remain in the hands of the bankruptcy administrator.

Letasa was founded in 1958 by Sr. Enrique Guzman, then president of the Bilbao Chamber of Commerce, and his son-in-law, Sr. Jose Maria Lopez Tapia. Despite building np a sizeable fleet, the company has had a chequered history.

On September 1 the company's main creditors forced the management to put Letasa into temporary receivership, a device whereby companies in financial difficulties seek relief through a court order suepnding temporarily all outstanding payments so allowing creditors to restructure debt.

Since then creditors have been trying out work out a means of keeping the company operational offering a repayment of outstanding debt over 12 years. The creditors believed that the company could, with some sacrifices, be made available, and that if possible the 450 workers (of which 415 are crew members) should be retained.

One creditor said yesterday that the company is not running at on operational loss but needs time to be able to repay capital.

Go-ahead for Bastogi rights

BY PAUL BETTS IN ROME

THE BOARD of Bastogi, the Italian financial company, has given the go-ahead for the company's long awaited rights issue.

Bastogi's capital is to be lifted from L198bn to L248bn through a L50bn ($55.6m) rights issue on a one-for-four rights basis at par, L1,000 a share. The operation is to be guaranteed by the company's controlling shareholder syndicate which currently owns 33 per cent of the group.

Bastogi subseqnently hopes to raise its capital by a further L50bn in a similar operation later this year, and is also understood to be searching for new major shareholders. This latter move follows the deal with the U.S. Diamond Shamrock group which agreed to taket a minority stake of less than 10 per cent in the Italian financial company.

The Italian company reports losses of L7bn for 1979 which are to be covered by reserves. In 1978, Bastogi broke even.

Bastogi's overall turnover increased from L850bn in 1978 to 723bn last year, mainly as a result of sales of some fixed assets and the purchase from the Milan Montedison chemical group of the electronic subsidiary, Bastogi Sistemi.

● Net losses more than halved for 1979 are reported by Snia Viscosa. Sales last year were 760bn ($846m) compared with L705bn; and the group's net deficit was cut to L32.3bn from L79.2bn.

Synthetic fibres output eased last year because of production capacity curbs and the limitation of losses on older types of man-made fibres. Sales, however, rose by 7.5 per cent in valne for fibres and productivity increased slightly, Snia said. Oil price rises, inflation and increased labour costs did not allow a balance of costs and returns despite a marked rise in gross operating margins.

A revival of both the domestic and export markets helped the textiles division, whose sales rose by 33 per cent, the company said.

Chemicals sales increased by 50 per cent following oil price rises, while defence and space division sales rose by 17 per cent.

The creation of a separate company for each of the chemicals, space and dofence, synthetic fibres and textiles divisions is to be implemented by the and of the year.

Buehrmann to expand abroad

BY CHARLES BATCHELOR IN AMSTERDAM

DUTCH PAPER, packaging and trading gronp Buehrmann-Tetterode hopes to develop new markets in the Far East, Mexico and North America during the 1980s, the company stresses in its annual report.

BT sees prospects for non-U.S. companies in Mexico, where "political conditions are stable and the economy expanding." In the U.S. it would expect to make small acquisitions in the printing, publishing and printing machine trading sectors rather than undertake a major merger.

The next two years will be used to strengthen the company's position and improve profitability. By retaining profits and by limiting investment to the level of depreciation BT will strengthen its assets and liquidity position.

Sales have developed favourably in the year so far, while BT's los-making Belgian subsidiary, Papeteries de Mont St. Guibert, will, it is hoped, make a profit in 1980.

Net profit of BT fell marginally to Fl 41.3m ($19m) from Fl 41.5m, although the 1979 result was adversely influanced by the Fl 10.7m operating losses of MSG. The company proposes paying an unchanged Fl 5.40 dividend per share.

Gross operating profit rose by 31 per cent to Fl 125.1m on sales which were 21 per cent higher at Fl 2.15bn ($1bn). Two points of the turnover growth came from new acquisitions.

Operating profit rose by a "spectacular" 63 per cent in the printing machinery trading division to Fl 36.3m on sales 30 per cent higher at Fl 568m. Profit in the printing, stationery, toys and publishing division rose by 12 per cent to Fl 45.2m on 12 per cent bigher sales, while the industrial paper and board division increased profit by 43 per cent to Fl 47.5m on sales np 23 per cent.

BT expanded its sports equipment trading activities by acquiring exclusive Benelux rights for the West German Puma company from January 1980. It bought a second French wholesale toy trading company as well as the Swedish printing machinery group, Hemlins.

● A sharp rise in net profit to Fl 45.4m ($21.4m) in 1979 from Fl 30.8m in the previous year is reported by Lucas Bols, the Dutch distiller. Turnover was Fl 806m, aginst Fl 717m. Profit per share on capital increased by 10 per cent following a bonus share issue was Fl 10.13. The total dividend paid was Fl 4.

Losses nearly halved at Statsforetag

BY VICTOR KAYFETZ IN STOCKHOLM

STATSFORETG, the Swedish state holding company, reduced its loss from SKr 929m in 1978 to SKr 509m ($116m) last year, mainly as a result of smaller losses by its so-called basic industry sector which inclndes iron mining, forest products and chemicals. For the fifth year running the board recommends passing the dividend to the state.

Exclnding the engineering and industrial companies taken over during 1979 from the Kockums group, Statsföretag's loss was SKr 449m. The company thus fell short of the SKr 800m improvement, excluding the Kockums units, predicted in the eight-month report.

Sales rose by nearly 21 per cent to SKr 12.18bn ($2.77bn). For comparable units, the increase was about 16 per cent. An unchanged 50 per cent of sales were abroad.

Statsföretag forecasts improved earnings in 1980, resulting in part from a major rednction in losses expected at the LKAB iron mining company. Sales are expected to rise by about 20 per cent.

The preliminary report attributed last year's improvement both to better general economic conditions in 197 and cost-cutting measures undertaken in recent years.

Statsföretag says that, taking into account compensation from the Government for tasks related to national employment policy, which are reported as extraordinary income, the group showed a 1979 profit of SKr 97m. No breakdown or comparative figure for 1978 is provided.

Kenana Sugar meeting delayed

BY JAMES BUXTON

A SPECIAL shareholders meeting and board meeting of the Kenana Sugar Company, scheduled to take place last weekend in Khartoum, is to be rearanged for a date to be fixed later this month. The shareholders were prevented from going to Khartoum by two days of sandstorms which closed the airport.

The meetings had been expected to approve a near doubling of the company's capital to $310m by the issue of more ordinary and new preference shares to finance the completion of the cane sugar scheme, which is now in production.

Japanese widen limits on yen CD issues

By Charles Smith, Far East Editor in Tokyo

JAPAN'S Ministry of Finance is widening the limits within whicb Japanese and foreign banks may issue yen certificates of deposit (CDs). Tbe measure allows the value of CDs in circulation to be more than doubled by the middle of next year.

Japanese banks are to be permitted to Increase their issues of CDs from an amount equivalent to 25 per cent of their owned capital to 50 per cent by the end of June next year. The Increase would be carried out in a series of quarterly steps, with 5 per cent being added to the ceiling at the end of each of thia, April-June, quarter and the next four. Since most Japaoese banks are likely to increase their owned capital by moderate amounts during the year, the move could lead to the value of CDs in circulation rising by over 100 per cent.

Foreign banks, which are currently allowed to issue CDs, ton an amount equivalent to 10 per cent of the value of their outstanding yen loan and yen denominatad share portfolio, will be allowed to increase the ratio to 20 per cent. Tbey are asked to do so gradually.

Certificates of deposit, which were introduced into the Japanese banking system in the first balf of 1979, bave become a centre of controversy, mainly because CD interest rates are uncontrolled, whereas rates on comparable time deposits are subject to control. The local Japanese banks, operating on a regional basis in Japan, which bold substantial local government funds in the form of time deposits, have opposed expanding the issue of CDs because of a fear that this could lead to a ahift of fuods out of time deposits. Such a shift could greatly increase the local banks' funding costs.

Expanding the CD issue has been, on the other hand, favoured by major City banks which lack local government deposits and are looking for new ways to increase their total funds.

CDs have proved a popular investment vehicle with foreigners (mainly because of their attractively high interest rates), with the result that many of the larger City banks have exhausted their quotas. Expanding the quotas represents a way for the Ministry of Finance to attract more short term capital into Japan—but at the cost of upsetting local banks.

The limits apart, regulations restricting the freedom of the market stipulate that the minimum value of a CD sbould be Y500m (equivalent to $2m) and that maturity periods sbould be three or six months. The value of CDs in circulation at the beginning of 1980 is estimated to have been between Y1,800bn and Y1,900bn (around US$7.5bn), with foreign banks accounting for about Y260bn.

Bond market fall hits Japan City banks

TOKYO—The 13 Japanese City banks suffered capital losses estimated at a total of Y550bn ($2.2bn) in the six months to March 31, following a sharp fall in secondary market prices of their national bond holdings, the Federation of Bankers' Associations said.

Six banks, including Sunitono, Fuji, Sanna, Tokai, Mitsui, and Daina, will continue to value their holdings at the lower of cost or market value.

The other seven — Dai-Ichi, Kangyo, Mitsubishifi Triyo Kobe, Kyona, Saitana, Hokkaido, Takushoku, and Bank of Tokyo—hsve switched to the cost price method of valuation.

Banking sources said the large national bond valuation loss will increase the pressure by City banks on the Finance Ministry to reduce its national bond flotation. Renter

AUSTRALIAN NEWS

Steps to set up new private bank

BY JAMES FORTH IN SYDNEY

AUSTRALIA may get its first new domestic bank since 1933 and its first new private enterprise bank this century. Mr. John Howard, the Federal Treasurer, announced yesterday that the Government had received an approacb from interests led by Mr. Garrick Agnew, the Perth businessman, to establish a new bank, within the existing banking policy.

The proposed bank wonld have an initial capital of A$20m to A$30m (U.S.$21-33m) and would probably have 30 to 40 shareholders, mainly a cross-representation of large and financially solid Australian companies. There must be at least ten shareholders, under existing legislation, which limits the maximum holdiog in a bank to 10 per cent of the capital.

The proposal apparently also envisages the formation of a merchant bank in which the new bank would have an equity of per cent to 40 per cent, and wbicb could include foreign shareholders.

It is the second change in the banking system which has come to light recently. The merchant bank, Hill Samuel Australia bas been working on a proposal wbich invisages a syndicate of major Queensland companies each staking a stake in, and expanding, the small Bank of Queensland, creating a quasi-state bank.

The proposal for a new domestic bank coincides with the Campbell Inquiry into the Australian Financial system, but Mr. Agnew had been working o nthe scheme for at least two years, before the inquiry was established.

Mr. Howard said he had discussed the Agnew proposal with the head of the Inquiry, Mr. Keith Campbell. Although a formal application for the issue of a banking licence had yet to be made, the matter bad already been the subject of considerable consultation between Mr. Agnew and the Government.

Mr. Agnew, a former Olympic swimmer, is best known for bis Agnew Clougb mining (particularly of iron ore) and industrial group, bnt he has long been interested in banking and economic matters.

He bas been a director since 1974 of the Government-owned development body, the Australian Industry Development Corporation. The proposed bank would develop and provide a full range of banking services, but would concentrate on corporate finance, foreign exchange and development and project finance activities. Initially the bank would concentrate on Sydney, Melbourne and Perth.

* * *

PIONEER CONCRETE Services, the international quarrying, concrete prodncts, and mining group, plans to raise A$55.4m (US$60m) through a rights issue, following a rise in earnings in the December balf year, from A$11.6m to A$15.2m (US$16.4m).

Pioneer is well on the way to reaching the A$30m profit forecast made for the full year, and results in the three months to March 31 were said to be in line with budgets. The interim dividend has been beld at 5 cents a share.

The results reflect comparable rates of growth in both overseas and Australian activities. Last year Pioneer earned about 60 per cent of its profits overseas.

The issue is on the basis of one new share for every three held at a price of A$1.25 a share, compared with the closing market price in Sydney yesterday of A$1.94. It is the second large cash issue by Pioneer in the past six months; the last was on the basis of one-for-four at 90 cents a share.

The directors expect that the annual dividend rate of 10 cents a share will be maintained on the higher capital. They said that the funds raised would be used for future capital requirements.

Another large industrial group, Humes, the pipe manufacturer, is seeking A$9.4m with a rights issue on the basis of one new share for every eigbt held at a price of A$1.000 a share. It is the company's first cash issue since July, 1974.

The Pioneer issue is split into two instalments, 65 cents by July 4 and 60 cents by October 31 while the Humes issue is payable 50 cents on application and 50 cents on October 31.

* * *

THE AUSTRALIAN Government bas stuck by its decision to limit NV Amev, the Dutch insurance group, to a maximum bolding of 80 per cent of the capital of the local finance company, United Dominions Corporation (UDC). The stock exchanges had sought a takeover bid from Amev for the remaining minority holdings.

Amev announced in February that it intended to buy the 80 per cent holding in UDC from the UK group United Dominions Trust (UDT). Stock exchange listing requirements provide that once a buyer obtains more than 20 per cent of a company's capital it must extend a similar offer to remaining bolders.

However, the Foreign Investment Review Board made it a condition of approving the UDT purchase that it buy no more shares. The stock exchanges lobbied, unsuccessfully, in Canberra for a formula to enable minority bolders to obtain a similar price, such as requiring Amey to bid and subsequently restore the Australian equity to 20 per cent.

● Australian public companies and instutions bave had their limits on overseaa eqnity and real estate investment lifted to A$2.5m (U.S.$2.7m). The figure was incorrectly reported yesterday.

Sharp rise at United Plantations

BY WONG SULONG IN KUALA LUMPUR

UNITED PLANTATIONS, the Danish-controlled Malaysian oil palm group, has reported a record pre-tax profit of nearly 39m ringgit (U.S.$17m) for 1979, representing an increase of over 44 per cent.

A higher dividend is to be paid, and there is to be a scrip issue. The final dividend is 22.5 per cent, bringing the total for 1979 to 27.5 per cent on the capital of 89.4m ringgit. The 1978 dividend wasc 25 per cent on capital of 71.5m ringgit. United Plantations is capitalising 10m ringgit from reserves to make a one-for-ten scrip issue on 89.4m issued sbares, and 1.5m new shares for the group's Workers Benevolent Fund. The new shares will not be entitled to the final dividend.

The good profit was attributed largely to the general increase in crop prodnction and higher prices. Palm oil production rose by 9.3 per cent to 48,000 tonnes, while palm kernal increased by 17 per cent to 12,000 tonnes. Production of copra was up by 17 per cent to 12,000 tonnes. Production of copra was op by 10 per cent, and the cocoa crop level was maintained. The average selling price for palm oil was 18 per ceot higher, wbile the price for palm kernal was

United Plantations has some 28 per cent better.

39.000 acres in Lower Perak State, mostly planted with oil palm but with a good area under coconots and cocoa.

* * *

SUBSTANTIALLY increased production costs have eaten deeply into earnings at Dunlop Malaysian Industries (DMI). Only an eight per ceot increase in pre-tax profit to 43m ringgit ($18.9m) was achieved for 1979. Sales rose by just 13 per cent to 190m ringgit ($83m) reflecting stronger competition following the growth of many Chinese-owned rubber-based factories.

With higher tax, net profit was only 4.4 per cent higher at 22.7m ringgit.

During 1979, the cost of most raw materials, particularly imported petrochemical derivatives, and crude rubber, increased substantially. The gronp said the higher costs were partially offaet by increased sales and productivity in all divisions, particularly tyres and latex foam.

The group's 34 per cent owned associate, H. and R. Johnson (Malaysia), whicb makes ceramic tiles, was reported to have performed very well, although its contributions to group's earnings were not substantial.

DMI is paying a final dividend of 27.5 per cent, making 40 per cent for the year, compared with 35 per cent previously.

* * *

PERNA SIME Darby Holdings bas raised its stake in Kubota Agricultural Machinery (KAM), to 90 per cent by buying a further 30 per cent from Tractors Malaysia, another Sime subsidiary.

The move is to rationlise the activities of the Sime subsidiaries, with Tractors concentrating on beavy equipment for building and construction, and KAM handling lighter equipment for the agricultural sector.

Apart from assembling and distributing Knbota agricultural machinery, such as Tractors and Power Tillers, used by Malaysian Farmers, KAM also distributes agricultural machinery for several other Japanese companies.

Fletcher in offer for Carter Holt

By Dai Hayward in Wellington

IN A surprise move Fletcher Holdings has made a takeover bid for Carter Holt Holdings in what will be New Zealand's larges takeover deal ever. The offer has a theoretical value of NZ$58m (US$54.6m).

Carter Holt is a large timber company with interests in paper and pulp. If successful the deal will make the merged Fletcher-Carter group one of the country's largest companies in forestry products. The combined operations would cover almost every sphere of New Zealands forestry, construction, engineering, and fishing industries.

Before announcing its offer, which puts a value of NZ$4.25 on each Carter Holt share, Fletcher acquired more than 23 per cent

The merged company would be entirely New Zealand owned. It is thought that Fletcher may already have obtained the promise of support from other major share holders in Carter.

Wall St. mixed at mid-day

AFTER THE recent good recovery, Wall Street stocks failed to establish a decision trend yesterday morning in another moderate business.

The Dow Jones Industrial Average was 3.67 down at 782.08 at mid-day, while the NYSE All Common Index eased 10 cents to $57.55. However, advances narrowly led falls by an eight-to-five margin at mid-session after volume of 19.06m shares (18.09m).

Analysts said the market was due for a pause following the more than 25-point rally in the D-J Industrial Average over the past two business days.

They added that background news is generally positive, with progress apparently being made in the Iranian hostage situation and lower commodities prices seen reducing inflationary pressures.

However, on the negative side is word that Kuwait has cut oil production by 25 per cent and reduced the volume of crude oil sales to major Western buyers under new contracts by 75 per cent.

Ashland Oil gained 4¼ to $35. The company has predicted higher first-half earnings from operations and investments.

Storage Technology rose ¼ to $14⅞, while Amdahl, on the American Exchange, put on 1⅜ to $20⅞. The two companies plan to merge.

OKC, which plans to sell a cement plant for about $50m plus the value of inventories, hardened ⅜ to $49¼.

Howard Johnson picked up 1¼ to $15¼ after closing more than 10 points lower on Monday.

Oil issues were mostly lower, with Mobil losing ⅞ to $65⅞, Gulf ¼ to $38⅜ and Indiana Standard ¾ to $100¼, but Getty gained 1¼ to $74¼.

THE AMERICAN SE Market Value Index was just 0.02 off at 233.02 at noon. Volume 1.72m shares (2.57m).

Closing prices for North America were not available for this edition.

Sundance Oil gained ⅜ to $69⅜ after a more than eight-point rise on Monday. The company said certain companies had expressed interest in a possible acquisition or merger.

Kirby Exploration rose 6⅜ to $63½ before trading was halted for an announcement.

Canada

Markets remained firmer-inclined in moderate early trading, with the Toronto Composite Index adding 4.7 at 1,802.3 at mid-day. The Metals and Minerals index put on 13.5 to 1,844.0, Oil and Gas 7.1 to 3,862.2 and Utilities 1.01 to 230.42, but Banks declined 0.79 to 294.99.

Texaco Canada, C$80, Husky Oil, C$78, and BP Canada, C$42¼, each rose one point, while Texasgulf added ⅜ at C$42¼.

Among Base Metals, Hudson Bay Mining improved 1¼ to C$25¼, Cominco C$1 to C$58 and Noranda Mines ¼ to C$31.

Tokyo

The recent recovery proved short-lived, share price retreating over a broad front yesterday in fairly active trading, with many investors and dealers discouraged by the yen's sharp fall against the U.S. dollar.

The Nikkei-Dow Jones Average receded 53.38 to 6,502.81 and the Tokyo SE index weakening 4.06 to 450.40. Declines on the First Market section outnumbered rises by 411 to 193 after volume of 320m shares (170m).

Export-orientated shares, Trading Houses, Large-capital issues, some Natural Resources, stocks, high-priced Electric Appliances and Shipbuildings were prominently lower, while Semiconductor Manufacturers, which rose sharply on Monday, also lost ground.

Olympus lost Y21 to Y719, Canon Y18 to Y590, Nissan Motor Y7 to Y688, Mitsui Y13 to Y321, Mitsubishi Y24 to Y610, Fuji Photo Y10 to Y522, Nippon Steel Y3 to Y119, Mitsui Engineering Y8 to Y185, Hitachi Shipbuilding Y6 to Y159 and Honda Motor Y16 to Y556. Fujitsu fell Y25 to Y433, Nippon Electric Y15 to Y404 and Oki Electric Y13 to Y340.

However, Coals and Pharmaceuticals scored advances on speculative buying. Among coals, Mitsui Mining jumped Y99 to Y829. Matsushita Kosan and Sumitomo Coal Mining also moved ahead. A broker attributed their advance to news that West Germany has proposed a new energy plan that would halt power generation by oil. The West German proposal was made at a meeting of experts of seven industrialised nations that are holding the economic summit conference in Venice in June.

Pharmaceuticals were bought ahead of the opening of a medical society meeting at which new drugs or technology will be discussed.

Germany

Bourse prices continued Monday's rally, although trading was rather quiet. The Commerzbank index improved a further 3.7 to 674.7.

Dealers said the improved performance by Wall Street had brightened the market, and that Wall Street would probably continue to set the German share trend through the rest of the week.

Stores and Machines posted the sharpest sector-wide gains. KHD advanced DM 4 in Machines and Karstadt the same amount in Stores.

Among Electricals, Varta climbed DM 7.50 and Brown Boveri DM 3.50, but AEG fell DM 8.50 to DM 71 for a two-day loss of DM 14.50. Several dealers felt that AEG's inability to pay a dividend and its general problems were further upsetting the stock in very thin trading conditions.

Australia

Activity remained at a rather low level and the overall market appearance was mixed, but further selective bargain hunting occurred for some leaders. Gold and Diamond issues also continued to meet demand.

Bargain hunters lifted BHP 20 cents to A$11.65, and CSR 15 cents to A$4.70 and ANZ Banking 15 cents to A$4.35.

On the Mining posts, some improvement in the London prices of Gold and base metals stirred stocks like Central Norseman and Peko-Wallsend, while some of the Coal leaders moved ahead in patchy trading.

Central Norseman put on 30 cents to A$5.50, Peko-Wallsend 14 cents to A$6.90, Hill 50 Gold 6 cents to 50 cents and Emperor 10 cents to A$1.55.

Hong Kong

Stocks traded quietly with no clear trend on returning from the holiday-lengthened weekend.

Dealers said the market lacked confidence following the increase in U.S. Prime Rate to 19½ per cent last Friday, widening the disparity with local rates even further.

Some operators were expecting a special meeting of the Exchange Banks Association interest rates sub-committee ahead of the Easter weekend holiday to raise local Prime Rate.

Also discouraging the market were last week's disappointing local property auction results.

Amsterdam

The market staged another widespread rally, with the ANP-CBS General index rising 1.4 more to 76.9.

Among Dutch Internationals, Royal Dutch put on Fl 2.50 and Unilever Fl 1.40.

RSV the Shipbuilding and Engineering group, announced a substantially lower 1979 loss and rose Fl 2.90 to Fl 32.50. Ahold moved ahead Fl 3.20, OCE-Van der Grinten Fl 3.80 and KLM Fl 3.90.

Johannesburg

Gold shares closed generally easier in sympathy with a lower international Bullion price. Vaal Reefs lost R2 to R55, President Steyn R1.50 to R34 and Western Holdings R1 to R62.50.

NEW YORK

CANADA

Stock	Mar. 31	Mar. 28
Abitibi	12⅛	12¼
Agnico Eagle	10¾	10⅝
Alcan Alumn.	30¾	30⅝
Algoma Steel	32¼	32⅞
Asbestos	34½	36

BELGIUM (continued)

April 1	Price Frs.	+ or —
Petrofina	4,710	+90
Royale Belge	5,140	—20
Soc Gen Banq	2,405	—25
Soc Gen Belge	1,358	+8
Sofina	3,020	—20
Solvay	2,310	.....
Traction Elect.	3,300	.....

HOLLAND

April 1	Price Fls.	+ or —
ACF Holding	02	+0
Ahold	74.5	+6.2
AKZO	22.4	+0.2
ABN	280	+0.3
AMEV	87	+1.5
AMRO	03.2	+0.2
[illegible]	181	+0.3

AUSTRALIA

April 1	Price Aust. $	+ or —
ANZ Group	4.30	+0.15
Acrow Aust	1.00	.....
Allstate Expl.	1.05	.....
Ampol Pet.	1.05	—0.01
Assoc. Pulp Pap.	1.80	—0.05
Audimco	0.27	+0.01
Aust Cons Ind.	2.00	—0.01
Aust Guarant.	1.40	—0.02

JAPAN (continued)

April 1	Price Yen	+ or —
Kubota	365	.....
Kumagai	361	+1
Kyoto Ceramic	3180	—20
Lion	332	—2
Maeda Cons.	442	—6
Makita	290	—2
Marubeni	332	—12
Marudai	845	—4

DENMARK

FRANCE

ITALY

NORWAY

SWEDEN

GERMANY

AUSTRIA

BELGIUM/LUXEMBOURG

SWITZERLAND

HONG KONG

JAPAN

SINGAPORE

SOUTH AFRICA

BRAZIL

Indices

NEW YORK—DOW JONES

STANDARD AND POORS

N.Y.S.E. ALL COMMON

MONTREAL

TORONTO Composite

NEW YORK ACTIVE STOCKS

Metals under late pressure

BY JOHN EDWARDS, COMMODITIES EDITOR

LONDON METAL markets, including silver, moved higher again yesterday. But the rises mainly reflected the easier trend in tha valne of starling against the dollar, and the markets came nnder downward pressure again in late trading.

London bullion spot silver, for example, was raised by 171.5p to 793.9p a troy oz at the morning fixing, but lost ground in the afternoon.

The cash price on the London Metal Exchange silver market closed at 710p, only 35p up on the previous close.

Free market platinum gained £18.95 to £273.10 a troy oz. despite gold ending the day marginally lower.

Copper led a general advance in base metals. Cash wirebars closed £11.5 up at £956 a tonne, but weakened in late kerb and after-hours dealings.

Meanwhile, tho International Lead and Zinc Study Gronp warned yesterday that new supplies of zinc are expected to fall short of demand by about 100,000 tonnes this year.

A standing committee of tho group meeting in London said that small declines in zinc consumption in the industrialised countries were being offset by growth in the less developed countries.

Furthermore, the demand for zinc had been boosted by a sharp rise in net imports by Socialist countries, notably the Soviet Union.

Zinc mine production is now forecast to increase by over 300,000 tonnes this year to 4.98m tonnes. But it was noted that concentrate stocks had been drawn down to low levels by a sharp rise in metal output last year to a record 4.73m tonnes.

Metal production was predicted to be maintained at this high level in 1980, despite the closure of the Monaca plant in the U.S., but there would be difficulties in doing so if mine production was not expanded as expected.

Lead supply and demand is also predicted to be in close balance, and stocks to remain low. The first new lead mine to come into production for many years, Aggeneys mlne in South Africa, was now on stream and mine output this year was forecast to rise by almost 200,000 to 2.72m tonnes.

But refined lead production is expected to remain at about the 1979 level of 3.94m tonnes.

European farmers in milk protest

By John Cherrington, Agriculture Correspondent

ABOUT 100 French and Belgian farmers, mainly dairymeo, staged o protest against British Government policies in the heart of London yesterday.

Their hosic complaint was against the continued refusal of the British to allow tho importation of ultra heat-treated (UHT) long-life milk on bealth grounds.

After a mainly good-humoured meeting in Trafalgar Square, marred only by two arrests, the demonstrators moved to the Ministry of Agriculture where a deputation was received by Mr. Peter Walker, the Minister of Agriculture, and later a letter was handed in to 10 Downing Street outlining their case.

The pointed out that their milk, samples of which were handed out to passers-by, was treated by the samo achinery as used in Britain and claimed that the standards in their dairies wero at least as good as those in Britain.

But this was far from being their only complaint. Britain, they claimed, was sabotaging the Community by continuing to import 120,000 tonnes of New Zealand butter and by vetoing any EEC price increase for milk.

They were demanding an 8 per cent increase in Community prices, and the Belgians in particular were adamant that their farmers were reaching the end of the road of financial viability.

One in twenty Belgian dairy farmers were going to take tha EEC premium for giving up milking this year I was told and 40 per cent of arable farmers had been forced to sell their grain forward, because of a shortage of cash.

When questioned about France's refusal to obey the European Court's ruling to allow the import of British lamb, they repeated the usual defence that there was, as yet, no Community regime for lamb.

But there was no doubt about the deep sense of outrage these farmers have in their belief that the British are not being wholehearted in their support of the Community, particularly its farm policies.

They were especially conscious of Britain's commitment to New Zealand, both for butter and lamb.

They could not reconcile this with her Community membership in spite of Mr. Walker telling them that the New Zealand commitment had been agreed in 1973 under CATT between himself, as the then Trade Secretary, and M. Giscard d'Estaing.

Tony Kirk

A demonstrator is arrested at yesterday's protest.

FUTURE OF SUGAR CONFERENCE

Community urged to cut surplus

BY OUR COMMODITIES EDITOR

A CUTBACK in European sugar production was called for by Lord Godber, former UK Minister of Agriculture, in London yesterday when giving the opening address at the International Sweetener and Alcohol conference.

The conference is jointly sponsored by the Financial Times and World Sugar Journal.

Lord Godber, who is now a director of Booker McConnell, added, however, that he was opposed to the way it was proposed to share production out in the Community.

Reductions should fall on those countries which have expanded output far beyond their own requirements, or were the least efficient producers.

But it had to be realised that the popularity of sugar beet in Europe was due to its value as a rotational crop with cereals.

What was needed was some other alternative crop that would help any cutback in beet output.

Nevartheless, be said the EEC should not produce large surpluses which could undermine the developing countries which the yare pledged to support under the Lomé Convention.

Lord Godber added that it was sad that at this stage the Community was not playing its full part in securing a more ordered and balanced supply-demand picture for sugar to help avoid great peaks and valleys in production and price.

It was to be hoped that following the conclusion of an agreement within the Community in the forthcoming price negotiations, it would prove possible for the EEC to become fully involved in the International Sugar Agreement.

Mr. William Miller, executive director of the International Sugar Organisation, told the conference that it had just been agreed to raise the International Sugar Agreement "floor" and "ceiling" price range, by 1 cent to 12-22 cents a pound.

The Sugar Council had failed to reach agreement on the renegotiation of basic export quota tonnages.

As a result they had fallen back on the formula provided in the agreement in case of failure to agree.

The main emphasis in the formula was on performance—a criterion dear to tha hearts of importing members as well as to many of the exporting countries.

Disregarding the fact that export quotas were not in effect at present, the new rules were not likely to produce any very drastic changes this year.

However, greater changes were possible in 1981 and 1982, and smaller producer members should benefit from hardship allocations.

Decline in demand

Mr. Miller said that the start of the stock financing fund had been put back again from April 1 probably to July 1. This would enable necessary legislation to be completed in the U.S. and give time for members to consider at what level the fee should be set.

It now stood at 0.28 cents a pound but there seemed little point in levying a fee at so high a level when there were no stocks to finance.

Mr. Miller said it seemed reasonable to expect relatively favourabla prices for the next few years, provided there is not an explosion of increased production.

In the longer run, the Food and Agriculture Organisatioo recently producad projections showing a 2.6 per cent a year rise in production and consumption for the period from 1976-85.

But developing countries will produce, import and eat more sugar, whilo developed nations will import less.

He expected the increasing use of high fructose syrups (or isoglucose) to continue, but its effect would be more than counter balanced, so far as sugar growers are concerned, by the alternative use of cane to produce alcohol for motor fuel.

Mr. Nick Osman, editor in chief of World Sugar Publications, forecasts that world sugar production would peak at 100.20m tonnes in the 1983-84 crop and then fall to 98.25m in 1984-85. This compared with output of 86.06m in 1979-80.

Looking at future consumption, Mr. Osmao predicted that demand for sugar will decline in 1980-81 crop year by 2.25m from 1979-80, but increase to 92.523m tonnes in the following year and subsequently increase to 98.868m tonnes by 1984-85.

Mr. Jose Lago Santaella, assistent secretary of the gronp of Latin American and Caribbean suger exporting countries (known as Ceplacea), claimed that the EEC's refusal to comply with the International Sugar Agreement had considerably affected its operation.

Cocoa producers to meet on pricing

RIO DE JANEIRO—Cocoa countries will moet in Brasilia on April 9 to work out mechanisms to defend the price of cocoa on world markets, Brazilian Agriculture Minister Amaury Stahile said, here.

There will be no concessions by producing countries and cocoa will continue to be traded at prices not lower than $1.20 a pound, the declared.

A Ministry spokesman said tha new mechanisms would not involve the formation of a cartel by the prodncing countries, however. The countries attending the meeting will be the Ivory Coast, Ghana, Nigeria, Togo, Cameroun and Brazil.

A meeting of producers in April wao signalled by producers delegates at last weekend's London meeting of the International Cocoa Organisation which failed to reach agreement on either extending the present accord or negotiating a new International Cocoa Agreement.

In Abidjan, the Ivory Coast capital, a top official yesterday signalled a major about-turn in tho country's economic policy, by arguing for a reduction in cocoa output.

Mr. Rene Amany, director-general of the Caisse de Stabilisation (marketing board) said he favoured the abolltion of all government measures to increase cocoa production.

He said the Ivory Coast was bowing to market forces, following tha failure of producers and consumers to agree on a new pact which would hava guaranteed prodncers a minimum price.

A World Bank projection puts tha international coca price in 1990 at 145.7 cents per kilo (at 1978 values), roughly half the present price.

New grade of nickel

By Our Commodities Staff

A NEW GRADE of electrolytic nickel cathodes, which will be sold at competitive prices, was announced yesterday by Johnson Matthey Chemicals.

The company has been appointed world marketing agents for Matthey Nickel, which will bo available in larger quantities when a New Rustenburg refinery in South Africa reaches its full production capacity of 19,200 tonnes a year by tho end of 1981.

At present somo 6,000 tonnos of Rustonburg nickel is being produced annually, but this is being upgraded in quality and renamod to preparo the way for increased supplies becoming available for export.

Johnson Matthey said it was the intention to sell at the producer price, used by loading nickel companies. But it had to be flexible in pricing as a new supplier breaking into an established market.

British fishermen given £2.7m EEC cash boost

BY RICHARD MOONEY

BRITAIN'S hard-pressed fishermen were given a new cash boost yesterday with the announcement that they were to receive £2.7m in grant aid from the Common Market Agricultural Fund (FEOGA).

Last month the British Government's decision to pay out £3m in special aid to the industry was described by the industry as "a welcome gesture" but too little to make much difference to the plight of the industry, which has suffered through rising costs, lost fishing opportunities and low-priced imports.

The FEOGA money, which goes to 34 applicants, will help in the building of inshore vessels (under 80 feet) and the establishment of marine fish farms.

In England nine fishing vessel projects will receive a total of £207,000; in Scotland £1,437,000 will go towards the building of 12 fishing vessels and three fish farms; in Northern Ireland eight fishing vessels and one farm have been allocated £1,029,000; and in Wales a fish farming project has been awarded £24,500.

Strike hits soya plant

CONTINENTAL LTD., whose Seaforth crushing operations have beeo halted by the Liverpool docks strike, has declared *force majeure* on deliveries of soyabean meal and oil for April and meal for May, a company spokesman said, yesterday.

The Seaforth mill will remain closed until Liverpool dockers resume work, as the strike is still preventing supplies of imported soyabeans reaching the plant, he added.

Cuba to press for new rise in support price

CUBA WILL seek a further increase of at least one cent a pound in the International Sugar Agreement (ISA) support price at the next price review in November, Cuban foreign Trade Minister Ricardo Cabrisas Ruiz said in London yesterday.

This would he in addition to the one cent increase agreed by the ISA Council yesterday in the agreement's 11-21 cent price range and its intermediate trigger prices for quota and stocking mechanisms.

Sr. Cabrisas said Cuba accepted the formula by which basic export tonnages have been set for the next three years but had wanted a genuine renegotiation which would have favoured smaller and medium sized sugar exporters.

There had been a lack of preparation and of willingness to renegotiate new tonnages, Sr. Cabrisas said. It had been accepted that there was a consensus for the fallback formula when this should only have been used when genuine negotiations had failed, be added.

As a result there was limited scope for making allowance for small and medium sized producers whose exports had suffered as a result of bad weather in the past two years but which will now be written into their future export quotas.

Acceptance of the formula does not commit Cuba to an extension of the ISA nor the negotiation of a new ISA on the same basis, Sr. Cabrisas told the Sugar Council.

BRITISH COMMODITY MARKETS

BASE METALS

COPPER—Higher again on the London Metal Exchange. The late weakness on Comex on Monday night depressed forward metal to £959 at the outset but good buying, reflecting the weakness of sterling, [illegible] on profit-taking to close the late kerb at £7,840. Turnover 1,295 tonnes.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	7795-810	+182½	7800-10	+45
3 months	7595-710	+117½	7835-60	+77.5
Settlem't	7810	+90	—	—
Standard				
Cash	7795-810	+155	7800-10	+56.0
3 months	7695-700	+117.5	7835-40	+67.5
Settlem't	7810	+10	—	—
Straits E.	$2301	+59	—	—
New York	—			

LEAD—Gained ground reflecting the trend in copper. [illegible] Turnover 7,600 tonnes.

ZINC—Firmer in quiet trading [illegible] kerb despite the late declino in copper. Turnover 6,275 tonnes.

ZINC	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	516-8	+12.7	511-2	+4
5 months	519-01	+11	517.5-8.0	+5.e
S'ment	512	+15	—	—
Primw'ts	—	—	*39.5	—

TIN—Firmer. Forward metal opened higher at £7,820, reflecting the rise at Penang and the fall in sterling, and moved ahead to £7,880 before easing

ALUMINIUM—Moved ahead reflecting the price rises by Alcan and Alcoa, the weakness of sterling and the continuing tight nearby supply situation. Forward metal opened at £850 and moved up to close the late kerb at £858. Turnover 4,900 tonnes.

Alumin'm	a.m. Official	+ or —	p.m. Unoffic'l	+ or —
	£	£	£	£
Spot	950-60	+12.5	960-5	+15
3-months	851-3	+11.5	858-9	+15.5

NICKEL—Firmer but well below the day's highest levels. Forward metal opened at £3,060 and gradually moved up to £3,130 during the morning buoyed by the fall in sterling and the general strength of other metals. However, profit-taking was reported in the afternoon and forward metal fell back to close the late kerb at £3,075. Turnover 546 tonnes.

NICKEL	a.m. Official	+ or —	p.m. Unoffic'l	+ or —
Spot	3030-50	+85	3000-15	+57.5
3 months	3130-40	+77.5	3105-10	+65

CORAL INDEX: Close 429-434 (+2)

SILVER

Silver was fixed £1.715 an ounce higher for spot delivery in the London bullion market yesterday at £7.939. U.S. cent equivalents of the fixing levels were: spot $18.89, up $3.485; three-month $17.265, up $4.015; six-month $18.085, up $4.193; and 12-month $18.908, up $4.164. The metal opened at £8.2-7.7 ($14-15½) and closed at £6.55-6.75 ($14-15½).

SILVER per troy oz.	Bullion fixing price	+ or —	L.M.E. p.m. Unoffic'l	+ or —
Spot	793.0p	+171	710.0p	+35.0
3 months	803.9p	+194	722.5p	+45.5
5 months	839.9p	+202	—	......
19months	870.9p	+202	—	......

LME—Turnover 210 (172) lots of 10,000 ozs.

COCOA

Market interest was again focused on precious metals and currency movements, cocoa futures thus traded within a narrow range and closed quietly £10 below Monday evening. Physical cocoa beans attracted a little interest for mid-1980 onward positions but nearby now neglected, reported Gill and Duffus.

COCOA	Yesterday's Close	+ or —	Business Done
May	1387-98	-2.5	1411-305
July	1402-03	-10	1428-11
Sep	1417-18	-7.50	1425-18
Dec	1452-55	-10.0	1458-40
March	1476-79	-4.50	1485-77
May	1493-99	-7.00	1496
July	1,516-50		

COFFEE

With no fresh influential news to inspire any major movement the market consolidated in a narrow trading range during the morning session, reports Drexel Burnham Lambert. A weak New York performance had very little impact on London and the afternoon remained very quiet.

COFFEE	Yesterday's Close	+ or —	Business Done
	£ per tonne		
May	1815-18	+1.00	1822-11
July	1660-60	-5.00	1647-38
Sept	1668-67	-5.50	1660-56
Nov	1657-70	-3.50	1671-59
January	1666-65	-3.00	1665-48
March	1625-40	-15.5	1630
May	1660-50		

GRAINS

Business done—Wheat: May 95.05-94.35, Sept 82.60-82.20, Nov. 97.00-96.60, Jan. 101.15-100.65, Mar. 104.05-104.05. Sales: 161 lots of 100 tonnes. Barley: May 94.00-93.25, Sept. 90.95-90.50, Nov. 95.50-94.95, Jan. 99.50-99.50, Mar. 103.00-102.65. Sales: 136 lots of 100 tonnes.

Month	WHEAT Yest'rdays close	+ or —	BARLEY Yest'rday close	+ or —
May	94.40	—0.45	93.25	—0.80
Sept.	82.60	—0.60	90.85	—0.50
Nov.	95.65	—0.50	95.00	—0.45
Jan.	100.8e	—0.55	98.90	—0.55
Mar.	104.05	....	103.50	....

Old crops opened higher but values quickly eased in fairly quiet conditions to trade 45p lower on wheat to 60p lower on barley, reports Acli. New crops saw considerable hedge selling pressure and despite fairly thin trading closed 50-60p lower on wheat and 50-65p barley.

Imported — Wheat, U.S. Dark Northern Spring No. 2 14 per cent April-May £92.25, June-July £92.50, Aug. £93.40, Sept. £94.25, Oct. £96.00, transhipment East Coast. English feed fob April £97.50, May £99.00 East Coast. Maize: U.S.-French April £116.50, May £117.50 transhipment East Coast. South African Yellow April-May £78.50. Barley: English feed fob May £99.50, June £100.00 East Coast.

RUBBER

The London physical market opened about unchanged, with little physical interest throughout the day, closing quiet. Lewis and Peat reported a Malaysian godown price of 314 (same) cents a kg (buyer, April).

No. 1 R.S.S.	Yest'rdays Close	Previous Close	Business Done
May	65.00-66.10	65.60-65.70	66.00
June	67.50-67.80	66.45-66.65	67.70-67.50
Jly-Sept	69.60-70.00	69.08-69.20	70.50-69.29
Oct-Dec	73.80-74.00	73.15-73.20	74.70-73.50
Jan-Mar	76.40-76.50	75.70-75.80	77.00-76.00
Apr-Jne	79.00-79.80	78.60-78.50	—
Jly-Sept	81.50-82.00	80.80-81.08	—
Oct-Dec	84.10-84.60	83.40-83.55	—
Jan-Mar	86.70-86.30	85.96-86.00	86.90

Sales: 503 (498) at 15 tonnes, 13 (14) at 5 tonnes.

Physical closing prices (buyer) were: Spot 64.50p (same); May 69.25p (68.25); June 69.75p (69.25).

SOYABEAN MEAL

London market opened [illegible] and held steady. [illegible] price finished little changed.

SUGAR

LONDON DAILY PRICE (raw sugar): £210.00 (£202.00) a tonne cif for March-April-May shipment. White sugar daily price was £224.00 (£216.00).

No. 4 CONTRACT—Close (in order buyer, seller, only): May 224.00-224.15; Aug. 235.00-235.50; Oct. 241.00-242.50; Jan. 247.00-251.00; March 257.25-258.00; May 256.00-258.00. Sales: 231 (407).

Tate and Lyle ex-refinery price for granulated basis white sugar was £321.7 (same) a tonne for home trade and £292.00 (£282.00) for export.

International Sugar Agreement (U.S. cents per pound fob and stowed Caribbean port). Prices for March 31. Daily price 17.96 (17.85); 15-day average 19.60 (19.70).

We apologise for omissions in the commodity tables. This was caused by transmission difficulties.

Wool shipments back to normal soon

SYDNEY — Australian wool exporting should he hack to normal within four weeks following tha settlement of tha storemen's strike, Mr. R. W. Eaton, chairmen of the Australia to Europe Shipping Conference, said here yesterday.

He noted that within a week of the settlement of the 11-week-long disputa, tha conference hed reduced the amount of wool awaiting shipment to Europe from 207,000 bales to 126,000.

The strike, which ended on March 20, is estimated by the wool industry to have delayod about 500,000 bales.

Mr. Eaton said the rapid clearance of tho backlog depended on continuing industrial peace both in tha wool industry and on the waterfront.

Prices at yesterday's Geelong and Goulburn auctions were somewhat firmer but trada offtake continued low. The Australian Wool Corporation was forced to take 28 per cent of tha offering at Gealong and 23.5 per cent at Goulburn.

Though higher than of late tha auction prices evidently disappointed dealers at the Sydney Greasy Wool futures market where values fell sharply as early trade buying gava way to a wave of stop-loss selling.

Reuter

Land prices down again

THE DECLINE in English farm land prices is continuing, according to figures published yesterday by the Ministry of Agriculture.

In the three months to the end of February, the average price for vacant possession agricultural land was £3,767 a hectare compared with £3,869 in the three months to January.

This continues the decline which began last summer after prices had reached a record £4,355 a hectare.

The land price index, which allows for the area and size group composition of the sample fell oven more sharply to 205 from 216 in January. The index, which was fixed at 100 in 1973, reached a peak of 230 last June.

PRICE CHANGES

In tonnes unless otherwise stated.

	April 1 1980	+ or —	Month ago
Metals			
Aluminium	£810/815	....	£810/815
Free Mkt	$1850/1880	—75.0	$2190/22
Copper			
Cash w'bar	£958	+11.5	£1,187
3 mths	£974.5	+13	£1,202.5
Cash Cathode	£918.75	+17.25	£1,150
3 mths	£948	+15.25	£1,168.5
Gold troy oz.	$508	—1	$537.5
Lead cash	£457	+0.5	£579
3 mths	£441.95	+16.75	£588
Nickel	£3,355	....	£3,195.78
Freemkt(cif lb)	288/318c	....	$10/$40c
Platin'm tr'y oz	£189-195	....	£189
Free mkt	£273.10	+18.95	£402.9e
Quicksil'ver†	$400/419	....	$395-495
Silver troy oz.	708.0p	+171.5	1564.80p
3 months	805.9p	+194.8	1875.55p
Tin Cash	£7,805	+50	£7,810
3 mths	£7,837.5	+87.5	£7,065
Tungsten 22.04lb	$141.14	....	$150.11
Wolfrm 22.04 lb	$145/149	....	$141/147
Zinc cash	£311.5	+4	£380.5
3 months	£318	+3.8	£398.0
Producers	$820	....	$825
Oils			
Coconut (Phil)	$695w	—25.0	$835
Groundnut	‡	....	‡
Linseed Crude	£450	....	£430
Palm Malayan	$505v	—12.5	$650
Seeds			
Copra Philip.	$475x	—10	$552.5
Soyabean(U.S.)	$301.50z	—1.80	$265.4
Grains			
Barley Futures	£90.85	—0.60	£98
Maize			
French No3AM	£116.50x	....	£116.50
Wheat			
No.1 Red Spg.	‡	....	‡
No2HardWint.	‡	....	‡
Eng. Milling	‡	....	‡
Other commodities			
Cocoa ship.t	£1,428	—19	£1,484
Future May.	£1,408.e	—10	£1,409.5
CoffeeF't'rMay	£1,630	—e	£1593
Cotton A.Index	94.1c	+0.15	97.53c
Rubber (kilo)	64.50p	....	74p
Sugar (Raw)	£210	+8	£250
Wooltp's 64s kl	300p kilo	....	297p kilo

a June. v May. w April-May. x July. z Indicator. § Buyer. ‡ Per 76 lb flask.

COTTON

Spot and shipment sales in Liverpool amounted to 47 tonnes, bringing tho total for tho week so far to 92 tonnes. Very little additional demand camo forward, and users remained deterred by the high cost of the raw material. Only minor purchases were mentioned in Middle Eastern and North American growths.

JUTE: Apr/May c and f Dundee BWC £221, BWD £196, BTB £268, BTC £231, BTD £202. Antwerp Apr/May BWC $438, BWD $425, BTB $597, BTC $519, BTD $455. Jute goods April c and f Dundee 40 in 10 oz £15.53, 40 in 7.5 oz £12.09. B Twills £34.62.

WOOL FUTURES

SYDNEY GREASY WOOL—Close (in order buyer, seller, business, sales). Australian cents per pound May 433.0, 435.0, 448.0-450.0, 275. July 443.0, 444.0, 464.0-464.5, 815. Oct. 453.0, 455.0, 468.0-470.0, 239. Dec. 451.0, 452.0, 473.0-473.5, 266. Mar. 455.0, 460.0, 476.0-477.0, 56. May 455.0, 463.0, 475.0-479.0, 37. July 457.0, 467.0, 476.0-478.0, 26. Sales 1,521.

LONDON NEW ZEALAND CROSSBREDS—Close (in order buyer, seller, business, sales). New Zealand cents per kilo]. May 365, 375, 370, only two. Aug. 373, 383, 383, only one. Oct. 380, 383, nil. Dec. 380, 383, 383, only one. Jan. 385, 390, Mar. 395, 400, May 400, 410, Aug. 400, 420. Sales: 4.

MEAT/VEGETABLES

MEAT COMMISSION—Average fatstock prices at representative markets on April 1: GB—Cattle 85.76p per kg lw (+0.58)* UK—Sheep 158.7p per kg est dcw (−4.1): GB—Pigs 88.9p per kg lw (−1.6).

SMITHFIELD—Pence per pound. Beef: Scotch killed sides 68.0 to 71.0. Eire hind quarters 83.0 to 85.0. Forequarters 51.0 to 53.0. Lamb: English small 64.0 to 76.0, medium 64.0 to 70.0, heavy 54.0 to 64.0. Scotch medium 64.0 to 70.0, heavy 50.0 to 54.0. Imported frozen, NZ PL 52.0 to 56.0, PM 54.0 to 55.0. Pork: English, under 100 lbs 39.0 to 49.5, 100-120 lbs 39.0 to 47.0, 120-160 lbs 35.0 to 44.0.

English Produce: Potatoes—Per bag 240-2.80. Mushrooms—Per pound 0.60-0.75. Apples—Per pound Bramley 0.09-0.15, Cox's Orange Pippin 0.13-0.22, Laxton's 0.10-0.12, Spartans 0.11-[illegible]

GRIMSBY FISH—Supply good, demand good. Prices at ship's side (unprocessed) per stone: Shelf cod £5.00-£6.00, codlings £2.50-£4.50. Large haddock £4.40-£5.50, medium haddock 2.80-£4.60, small £2.00-£2.50. Large plaice £3.50-£4.50, medium £3.20-£3.80, best small plaice £3.00-£3.60. Skinned dogfish (medium) £12.50. Lemon soles (large) £10.00, (medium) £8.50. Rockfish £1.80-£4.00. Reds £2.00-£2.40. Saithe £2.20-£2.70.

AMERICAN MARKETS

NEW YORK, March 31.

GOLD RECOVERED towards tho close and spot silver was firm on commission house buying. Copper closed lower on commission house liquidation. Sugar was sharply higher on Chinese buying rumours. Cocoa was slightly lower on a general lack of buying interest. Producer selling pressured coffee values. The livestock complex was mixed with pork bellies sharply higher on good trade demand, while a general lack of consumer demand pressured cattle values. Farmer selling, in reaction to tight credit pressured the soyabean and grain complex, reported Heinold.

[illegible]

Oct. 21.60-21.85, Jan. 22.50-22.85, March 23.50-23.56, May 23.93, July 24.10-24.15. Sales: 11,778.

Tin—793.00-806.00 asked (789.00-806.00).

CHICAGO, March 31.

Lard—Chicago loose 19.62 (same). New York prime steam 21.12 (same).

[illegible]

EUROPEAN MARKETS

ROTTERDAM, April 1.

Wheat: U.S. No Two Red Winter wheat April $170, May $172, June $170, July $170, Aug. $173. U.S. No Two Northern Spring wheat 14 per cent April $182, May $183, June $184, July $185, Aug. $188.

Maize: U.S. No Three Corn Yellow afloat $129, April $128.25, May $129, June $132, July-Sept $137, Oct.-Dec. $142, $150.

Soyabeans: U.S. No. Two Yellow Gulfports afloat $244, April $244, May $250.50, June $252, July $255.25, Aug. $258.75, Sept. $262.50, Oct. $266.75, Nov. $266.75, Dec. $272.75, Jan. $276.75, Feb. $283.25, March $286 sellers.

Soyameal: 44 per cent protein U.S. afloat $217, April $217, May $217.50, Nov./March $237.50. Brazil pellets afloat $228, Apr $228, Apr $223, May $221, June $224, July $224, Aug. 227, Sept. $233, Nov./March $247.50.

INDICES

FINANCIAL TIMES

Mar. 31	Mar. 28	M'nth ago	Year ago
264.47	265.56	305.03	268.95

(Base: July 1, 1952=100)

MOODY'S

Mar. 31	Mar. 28	M'nth ago	Year ago
1139.3	1104.9	1699.7	1047.9

(December 31, 1931=100)

DOW JONES

Dow Jones	Mar. 31	Mar. 28	Month ago	Year ago
Spot	407.89	418.35	443.26	375.56
F'tur's	490.58	422.58	458.53	384.28

(Average 1924-25-26=100)

REUTERS

Mar. 31	Mar. 28	M'nth ago	Year ago
1706.7	1708.3	1800.4	1565.3

(Base: September 18, 1931=100)

Long tap exhausted and Gilts close up to ⅝ higher
Equities firm again and index gains 5.4 more to 432.4

Account Dealing Dates
Options

*First Dealings	Declara-tions	Last Dealings	Account Day
Mar. 24	Apr. 10	Apr. 11	Apr. 21
Apr. 14	Apr. 24	Apr. 25	May 6
Apr. 28	May 8	May 9	May 19

* "New time" dealings may take place from 9 am two business days earlier.

Gilt-edged securities dominated stocks markets yesterday. Interest was enlivened by the exhaustion of the £50-paid long tap, Treasury 14 per cent 1996, which was reactivated at 50$\frac{1}{16}$ the equivalent price at which only a small amount of the stock was sold when dealings started on February 28 last. Stock was supplied at increasing levels by the Government Broker before being exhausted at 50$\frac{7}{16}$ and closing at 50½, after 50⅝.

Other long-dated issues moved ahead in sympathy, but the advance was tempered by fears of a replacement tap being announced at 3.30 pm today in view of the approaching Easter holiday. This left final quotations up to ⅝ higher after showing improvements of ⅞ and sometimes more.

Still gaining encouragement from a possible early end to the steel dispute, leading industrials maintained Monday's firmer trend at the opening. Investment incentive, however, was still lacking and prices tended to ease off before gaining fresh impetus from the advance in longer-dated Funds. Up 3.7 at the 10.00 am calculation, the FT 30-share index was only a net 1.4 up at 11.00 am, but then moved ahead to close around the day's best with a rise on the day of 5.4 at 432.4.

Reasonably firm and lively, Insurance Brokers were among the few equity sectors worthy of note, activity here being generated by continued bid speculation and by hopes that profits will be helped by the recent advance in the U.S. dollar. Overall conditions were again rather quiet, the main source of business being bed and breakfast deals.

Overnight firmness in gilt-edged was resumed from the start following news of tax concessions to authorised unit trusts dealing solely in fixed interest securities. Sentiment was also helped by the morning announcement of the further postponement of the call of special deposits for another 10 weeks from next Tuesday. The main boost, however, came around 10.45 am when it became known that the Government broker had run out of supplies of long tap Treasury 14 per cent 1996 at prices ranging to £50$\frac{7}{16}$; the market price closed $\frac{1}{16}$ up at £50½, after £50⅝, for the £50-paid stock on which a final call of £45½ per cent, or £364m, is due on Friday of next week. This absence of a tap led to gains ranging to ⅝, after ⅞, at the longer end of the market. Meanwhile, the shorts closed little changed after Monday's gains to ½ and the short tap Exchequer 13¼ per cent 1983 remained dormant at £94⅜, which is 2 points below the level at which it was last activated.

Demand for Traded options picked up slightly and a total of 564 deals were completed. Imperial attracted 210 contracts on continuing uncertainty about the Howard Johnson offer, while Racal were also active with 104 trades.

Insurances firm

Insurances closed higher throughout the list. Lloyds brokers were particularly favoured on renewed bid speculation and in sympathy with the current strength of the dollar. C. E. Heath rose 7 to 212p and Stewart Wrightson gained 8 to 190p, while Willis Faber improved 7 to 247p, the last-mentioned in front of today's preliminary results. Hambro rose 7 to 161p among life issues where Pearl advanced 6 to 296p, as did Prudential, to 173p, and Britannic, to 174p. Gains among Composites ranged to 6 with GRE that much better at 234p. Still drawing strength from the excellent results, Eagle Star appreciated 5 further to 178p, while Phoenix, 218p, and Sun Alliance, 544p, rose 4 apiece in anticipation of annual statements due today.

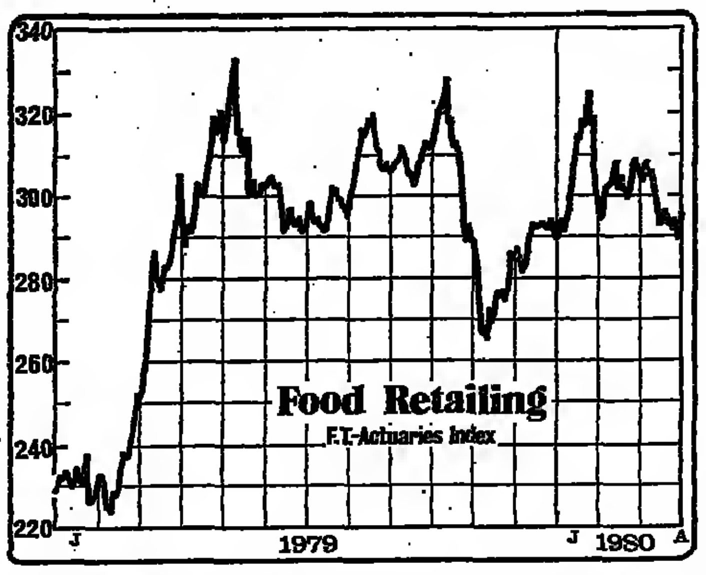
Buyers returned for the major clearing banks and although closing levels were up to 4 below the best, improvements ranged to 8. Midland ended that much dearer at 318p following the annual report. UDT attracted renewed speculative support but closed unaltered at 58p, after 61p on revived suggestions of a cash bid of around 70p to 75p per share from the U.S. concern Citibank; the 16 per cent Convertible 1979-81 rose 9 points to £186.

Building descriptions encountered moderate support with Blue Circle firming 6 to 294p and B.P.B. rising 8 to 182p. Buying ahead of tomorrow's annual results lifted London Brick 2½ to 74½p, while Tarmac improved 3 to 211p and Ready Mixed Concrete put on 5 to 159p. Among Contracting and Construction issues, Costain hardened 2 to 142p and Redland 3 to 154p. Brown and Jackson revived with a gain of 7 to 145p, while Norwest Holst, at 130p, recovered the previous day's fall of 5 that followed the last-minute hitch in the plans for the company to go private. Selected Timbers picked up on renewed speculative interest with Mallinson-Denny 1½ to the good at 63p and International 2 firmer at 107p.

Chemicals were featured by a gain of 12 to 268p in Fisons. ICI made steady progress and added 6 for a two-day gain of 12 to 374p. Elsewhere, Coalite put on 5 to 93p in belated response to Press comment.

Stores better

Leading Stores attracted a reasonable business and closed with moderate gains. British Home added 5 to 267p. Combined English added a penny to 34p after further reflection of the annual results. Harris Queensway were again wanted in front of today's results, closing 3 better at 189p, while J. Hepworth, interim results due tomorrow, hardened the turn to 64p. Press comment directed attention towards fashion boutique concern Evans and Owen which jumped 10 to 70p in a narrow market.



Executex Clothes held at 29p; apologies are extended to the company and to company secretary Margaret J. Bell for the incorrect comment here yesterday that Miss Bell had resigned.

Electrical leaders maintained a firm trend, GEC improving 5 to 372p and Thorn EMI hardening a few pence to 292p. Selective support was forthcoming for secondary issues. Electrocomponents revived with a gain of 8 to 518p, while United Scientific, 463p, and Farnell, 288p, improved around 5 apiece. BICC edged up a penny more to 113p in front of today's preliminary results.

Lessened hopes about an early end to the 13-week steel dispute took the edge off enthusiasm in engineerings, but the leaders turned slightly firmer towards the close. Hawker put on 4 to 184p and GKN hardened 2 to 260p; the latter's preliminary results are due today. Secondary issues displayed no set trend. Aurora improved 2 to 54p in response to Press comment and Desoutter rose a like amount to 118p following the results. Wolf Electric Tools put on 4 to 66p and Midland Industries 3 to 108p, but Expanded Metal fell 4 to 55p, while Porter Chadburn gave up 5 to 51p.

In Foods, RHM added 2½ to 50p and Brooke Bond 1½ to 52½p. Associated Dairies and Kwik Save came in for support and firmed 4 apiece to 178p and 92p respectively. Elsewhere, fresh speculative support was forthcoming for Avana which put on 5 to 123p and Robertson, a like amount to the good at 120p. Still reflecting the increased annual results and proposed 100 per cent scrip issue, Bernard Matthews added 5 more to 315p.

Ladbroke firmed 4 for a three-day gain of 14 to 136p in response to the sale of its provincial casinos. Elsewhere in Hotels and Caterers, Trust House Forte improved 3 to 169p, but Savoy A shed 2 to 117p on the almost halved annual profits. Queens Moat Houses added a penny to 35½p as speculative interest revived, but Wheeler's Restaurants gave up 8 to a 1980 low of 260p in a thin market.

Helped by the firmness of gilts, miscellaneous industrial leaders closed at the day's best. Bowater rose 6 to 170p as did Glaxo, at 248p, while Boots, additionally helped by a broker's recommendation, closed 5 to the good at 182p. Elsewhere, further consideration of the partial offer at 12p per share from the Hong Kong-based Tinnox prompted a fresh advance of 6 to 20 in Barget. Rockware rose 6 to 97p following comment on the better-than-expected results. Following the company's reconstruction, which resulted in a return of capital of 80p per share, Gieves were quoted at 49p, up 5. Scotcros came in for some good support and finished 7 better at 123p, while Broken Hill Proprietary gained 20 to 605p and Spring Grove put on 3 to 81½p. Unicorn, on the other hand, dipped 3 to 78p on the reduced profits and Cape Industries closed 4 off at 222p following disappointing results.

Selected Motor Components attracted support. Dowty, helped by a broker's recommendation, were outstanding at 176p, up 7. Investment interest was also noted for Associated Engineering, 63p, and Lucas, 216p, both around 3 better. Among Distributors, Lex Service improved 4 to 88½p, while Henlys, a dull market since the Budget proposals to cut car leasing allowances, recovered a couple of pence to 85p. Godfrey Davis, on the other hand, encountered profit-taking on the Europcar deal and shed 2 to 171p.

Newspapers were firmer where altered. News International added 3 to 148p, while Associated picked up 6 to 258p. East Midland Allied Press hardened 2 to 76p. Elsewhere, Saatchi and Saatchi met revived support and rose 10 to 160p, while Wace closed 8 better at 63p following the better-than-expected annual results and 25 per cent scrip issue.

Secondary issues made the running in Properties with Churchbury Estates 10 to the good at 490p and London and Provincial Shop 9 firmer at 305p in thin markets. Beaumont added 4 to 112p, while Greycoat and M. P. Kent added 3 apiece to 109p and 50p respectively. Berkeley Hambro hardened a penny to 193p awaiting today's annual results, while fresh speculative interest lifted Mountview Estates 4 to 130p. Law Land firmed 2 to 68p, after 70p, on the annual results and property revaluation. Among the leaders, Land Securities touched 293p before reverting to the overnight level of 290p, but MEPC maintained a gain of a couple of pence at 192p.

Oils showed renewed firmness in quiet trading. BP touched 360p before settling 6 higher on balance at 356p, while Shell added a like amount to 342p. Tricentrol finished 8 up at 282p, after 284p, while Ultramar improved 6 to 522p. Elsewhere, Silkolene put on 9 for a two-day gain of 17 to 135p following good annual profits, while fresh speculative interest lifted Premier 4 to 65p. Aran Energy were quoted at 304p ex the rights issue, while the new nil paid shares opened and closed at 80p premium.

Helped by comment on the preliminary results, Ocean Transport improved afresh to 110½p, before settling without alteration at 109p. Elsewhere in Shippings, P and O Deferred gained 3½ to 111p.

Continued speculation that the proposed acquisition of Howard Johnson may not go through lifted Imperial 1½ more to 80p. Elsewhere in Tobaccos, overseas earners Bats were buoyed by the stronger dollar and closed 7 to the good at 233p.

South African industrials remained firm. Abercom added 8 to 118p, while Greatermans A advanced 20 to 370p.

Guthrie again provided the only movement of consequence among Plantations, rising 50 to 925p, after 938p, on revived bid speculation.

Golds improve

Another steady performance by the bullion price encouraged a rally in South African Golds. Turnover in the market remained at a low level but sufficient buying interest, notably from the Continent, was seen to produce a recovery of 6 points in the Gold Mines index to 279.4.

Among the heavyweights, Hartebeest were prominent with a gain of ⅞ at £22¼, while improvements of ¼ were common to Winkelhaak, £11½, West Driefontein, £27½ and Western Holdings, £25. In the medium and lower-priced issues, Blyvoor advanced 55 to 585p and Elandsrand 18 to 340p.

Financials also made good progress, especially the London-based stocks. The firmness of precious and base metal prices coupled with strong buying ahead of the next Ashton venture progress report lifted Tanks 16 to 232p and Rio Tinto-Zinc 14 to 362p. Gold Fields responded to the renewed strength of the bullion price with a rise of 9 to 473p.

Good support developed for South African Financials. Anglo American Corporation rose 25 more to 525p. De Beers 23 to 398p and "Amgold" £1½ to £32. General Mining held at 700p xr; the price in yesterday's issue was incorrect.

Johannesburg and London demand produced widespread and substantial gains in Platinums. Rustenburg put on 19 to 212p, Impala 9 to 262p and Lydenburg 8 to 130p.

Australians continued to gain ground led by diamond exploration issues, gold producers and the Rundle oil-shale twins.

In diamonds, the Ashton venturers all registered good gains with Conzinc Riotinto 14 higher at 250p, and Ashton and Northern Mining both 6 firmer at 128p and 144p respectively. Gold producers showed Gold Mines of Kalgoorlie 8 up at 184p and Western Mining 5 harder at 195p. Central Pacific Minerals added ½ more at £19½ and Southern Pacific Petroleums 25 to 750p.

Elsewhere, Saint Piran were marked up 10 to 70p following the ruling by the Takeover Panel that a number of companies and Mr. J. Raper, former chairman of Saint Piran, have incurred an obligation to make a general offer at 85p per share to shareholders.

FINANCIAL TIMES STOCK INDICES

	Apr. 1	Mar. 31	Mar. 28	Mar. 27	Mar. 26	Mar. 25	A year ago
Government Secs.	64.82	64.36	64.02	64.50	64.61	64.40	73.21
Fixed Interest	66.50	65.02	64.81	64.97	65.00	64.91	76.25
Industrial	432.4	427.0	421.5	425.1	435.1	430.5	525.3
Gold Mines	272.4	273.4	279.1	297.7	304.4	315.6	142.1
Ord. Div. Yield	7.27	8.07	8.17	8.16	7.94	8.02	5.32
Earnings, Yld. % (full)	12.66	20.01	20.26	20.31	12.77	19.98	14.31
P/E Ratio (net) (*)	6.24	6.12	5.05	6.00	5.17	6.11	8.91
Total bargains	33,990	26,476	29,402	19,525	17,578	21,194	—
Equity turnover £m	—	98.11	159.49	142.32	72.68	78.79	121.28
Equity bargains total	—	20,435	16,354	17,372	12,273	15,685	34,091

10 am 430.7. 11 am 428.4. Noon 430.6. 1 pm 431.6.
2 pm 432.5. 3 pm 432.3.

Latest Index 01-246 8026.

*Nil=3.96.

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Industrial Ord. 1/7/35. Gold Mines 12/9/55. SE Activity July-Dec. 1942.

HIGHS AND LOWS

	1980 High	1980 Low	Since Compilat'n High	Since Compilat'n Low
Govt. Secs.	69.25 (21/1)	63.85 (7/3)	127.4 (9/1/35)	40.18 (3/1/75)
Fixed Int.	69.21 (21/1)	64.70 (10/3)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	478.6 (15/2)	406.9 (3/1)	558.6 (4/5/79)	49.4 (26/6/40)
Gold Mines	377.9 (28/2)	225.3 (18/3)	442.5 (22/5/75)	45.3 (26/10/71)

S.E. ACTIVITY

	Apr. 1	Mar. 31
—Daily		
Gilt Edged	124.0	113.6
Industrials	172.1	106.4
Speculative	51.1	39.3
Totals	109.9	72.3
5-d'y Av'r'ge		
Gilt Edged	120.3	127.9
Industrials	129.2	191.3
Speculative	40.1	38.1
Totals	86.7	83.4

NEW HIGHS AND LOWS FOR 1980

The following securities quoted in the Share Information Service yesterday attained new Highs and Lows for 1980.

NEW HIGHS (24)

BRITISH FUNDS (7)
Treas. 9½pc 1980; Exchqr. 13¼pc 1984-1986; Fundg. 5½pc '78-80; Treas. 14pc 1996 (£50 paid); Treas. 9½pc 1981; Treas. Variable '83; Exchqr. 12¼pc 1985

BANKS (1)
U.D.T.

BUILDINGS (1)
Fed. Land Building

STORES (1)
Harris Queensway

ENGINEERING (1)
Prestwich Parker

INDUSTRIALS (4)
Asbury & Madeley; MacFarlane Group; Barget; Scotcros

INSURANCE (1)
Eagle Star

PROPERTY (3)
Churchbury Ests.; Kent (M. P.); Fairview Ests.

TRUSTS (1)
Mercantile House

OIL & GAS (1)
Clyde Pet.

RUBBERS (1)
Guthrie

MINES (2)
Rand London Coal; Supreme Corp.

NEW LOWS (49)

BEERS (1)
Burtonwood

STORES (3)
Ellis & Goldstein; Steinberg; Reed (Austin) A

ELECTRICALS (3)
Arlen Elec.; Wigfall (H.); Brocks

ENGINEERING (12)
Adwest; Mole (M.); Boulton (Wm.); Porter Chadburn; British Northrop; Spear & Jackson; Christy Bros.; Stone-Platt; Davies & Metcalfe A; Woodhouse & Rixson; Expanded Metal; Yarrow

FOODS (1)
British Vending

HOTELS (1)
Wheelers

INDUSTRIALS (13)
Brown Boveri Kent; Lesney Products; Burco Dean; Manch. Ship Canal; Cape Inds; Monsanto 5pc '82-86; Chamberlain Phipps; Sumner (F.); Change Wares 12pc Prd. Prf.; United Guarantee; Crosby Spring; Wilkinson Match 10pc Cnv.; Esselte AB

INSURANCE (1)
Taisho Marine

LEISURE (4)
Boosey & Hawkes; HTV N.V; Campari Int.; Mediminster

PAPER (2)
Brunning Group; Brunning Res. Vtg.

SHIPPING (3)
Common Bros.; Milford Docks; Mersey Dock Units

SHOES (1)
Lambert Howarth

TEXTILES (1)
Blackwood Morton

TRUSTS (1)
Man. & Merton. Inv.

OVERSEAS TRADERS (1)
Tozer Kemsley 8pc Ln 1981

MINES (1)
Deelkraal

RISES AND FALLS YESTERDAY

	Up	Down	Same
British Funds	63	2	25
Corpns. Dom. and Foreign Bonds	28	2	38
Industrials	316	147	934
Financial and Prop.	206	29	263
Oils	33	2	71
Plantations	9	2	16
Mines	79	17	57
Others	39	5	33
Totals	823	206	1,375

LONDON TRADED OPTIONS

Option	Ex'rcise price	April Closing offer	April Vol.	July Closing offer	July Vol.	Oct. Closing offer	Oct. Vol.	Equity close
BP	325	36	32	—	—	—	—	357p
BP	330	—	—	60	—	66	2	"
BP	350	21	8	—	—	—	—	"
BP	360	—	—	56	—	48	1	"
BP	390	—	—	31	29	24	—	"
Com. Union	140	2	—	9	2	15	—	134p
Cons. Gold	460	24	5	50	—	72	—	472p
Cons. Gold	500	7	30	30	—	52	—	"
Courtaulds	80	1	—	5½	2	5	—	68p
GEC	330	46	9	65	—	76	—	373p
GEC	390	4½	3	25	—	41	—	"
ICI	360	18½	36	45	7	31	—	372p
ICI	420	¾	—	7½	10	15½	—	"
Land Secs.	330	1	—	6	20	—	—	292p
Marks & Sp.	80	9	10	13	—	17½	—	88p
Marks & Sp.	90	3	5	7½	—	11½	9	"
Marks & Sp.	100	1½	—	4	—	8	6	"
Shell	330	18	4	40	—	52	—	343p
Shell	390	3	—	16	1	24	—	"
Shell	420	1	—	7	10	15	—	"
Totals			142		61		17	
		May		August		November		
Boots	180	11	5	18	—	23	—	182p
Imperial Gp.	70	19	12	15	14	16	—	80p
Imperial Gp.	80	4½	164	7½	10	8½	10	"
Racal Elec.	200	20	25	30	—	41	1	214p
Racal Elec.	220	9	27	20	—	31	—	"
Racal Elec.	240	3	1	12	50	—	—	"
RTZ	390	12	2	40	—	52	—	383p
Totals			253		74		11	

FT-ACTUARIES SHARE INDICES

These Indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Tues., April 1, 1980 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 30%)	Est. P/E Ratio (Net)	Mon., Mar. 31 Index No.	Fri., Mar. 28 Index No.	Thurs., Mar. 27 Index No.	Wed., Mar. 26 Index No.	Year ago (approx.) Index No.
1	CAPITAL GOODS (172)	232.44	+1.1	18.96	6.76	6.65	229.96	227.91	228.96	231.45	267.65
2	Building Materials (28)	226.69	+2.0	17.87	6.92	7.05	222.33	221.01	222.69	226.75	250.14
3	Contracting, Construction (28)	350.19	+0.6	27.24	6.95	4.48	348.10	347.12	348.34	350.62	407.84
4	Electricals (15)	607.16	+1.1	13.30	4.11	10.02	600.30	592.74	591.99	597.09	649.02
5	Engineering Contractors (11)	270.28	−0.2	27.97	9.51	4.57	270.83	270.16	274.25	277.58	394.81
6	Mechanical Engineering (74)	157.42	+1.0	21.97	8.30	5.73	155.89	154.78	155.73	157.14	201.20
8	Metals and Metal Forming (16)	158.78	+0.3	21.66	9.75	5.50	158.35	156.14	157.72	159.53	173.94
11	CONSUMER GOODS (DURABLE) (50)	206.36	+0.7	16.64	6.14	7.44	204.95	204.27	205.67	213.76	241.80
12	Lt. Electronics, Radio, TV (15)	291.60	+0.5	13.18	4.56	9.73	290.18	289.29	291.99	304.49	327.83
13	Household Goods (14)	104.06	+0.3	28.56	10.59	4.14	103.73	104.20	104.43	105.74	170.18
14	Motors and Distributors (21)	103.68	+1.3	23.35	9.43	5.09	102.35	101.76	101.87	105.53	125.19
21	CONSUMER GOODS (NON-DURABLE) (173)	212.27	+1.3	19.09	7.28	6.44	209.49	208.50	210.21	214.34	249.91
22	Breweries (14)	261.39	+1.2	16.91	6.72	6.94	258.22	254.90	257.74	267.43	277.36
23	Wines and Spirits (3)	292.03	+0.7	18.65	6.37	6.60	290.04	285.29	290.26	300.73	342.85
24	Entertainment, Catering (17)	289.28	+0.6	19.14	7.27	6.52	287.44	283.50	283.43	291.96	340.00
25	Food Manufacturing (19)	187.36	+1.1	21.72	8.11	5.68	185.26	183.95	185.55	188.65	226.12
26	Food Retailing (15)	295.63	+1.5	14.04	5.10	8.50	291.29	289.02	291.70	294.50	289.76
32	Newspapers, Publishing (13)	399.88	+1.3	25.27	7.53	5.40	394.62	394.36	400.14	402.44	455.29
33	Packaging and Paper (15)	125.44	+1.9	24.35	9.19	5.19	123.15	123.13	124.69	125.75	146.26
34	Stores (43)	211.91	+1.4	14.48	5.47	8.93	208.95	209.35	211.86	214.49	247.16
35	Textiles (24)	120.80	+0.4	29.87	12.75	4.18	120.26	119.86	122.63	124.72	183.19
36	Tobaccos (3)	202.63	+2.6	28.74	11.61	3.95	197.58	197.58	194.18	199.21	272.21
37	Toys and Games (5)	30.00	−1.2	50.12	16.91	2.46	30.36	31.03	31.52	31.66	93.65
41	OTHER GROUPS (97)	197.26	+1.3	17.84	7.42	6.70	194.80	192.65	194.07	197.63	223.17
42	Chemicals (16)	296.38	+1.6	20.95	8.10	5.47	291.82	287.41	289.47	296.22	310.97
43	Pharmaceutical Products (7)	200.21	+1.1	12.82	6.53	9.46	197.94	194.04	195.57	199.22	276.11
44	Office Equipment (6)	109.56	+1.2	19.36	7.48	5.96	108.31	106.63	107.96	109.83	147.50
45	Shipping (11)	452.89	+0.8	12.23	6.96	10.12	449.30	444.75	444.55	450.95	434.10
46	Miscellaneous (57)	229.31	+1.1	18.01	7.27	6.96	226.74	226.25	228.05	231.31	250.02
49	INDUSTRIAL GROUP (492)	220.07	+1.2	18.58	7.10	6.62	217.46	215.89	217.39	221.42	255.02
51	Oils (8)	730.53	+1.7	30.07	6.98	3.54	718.52	710.59	694.63	720.87	669.04
59	500 SHARE INDEX	260.43	+1.3	21.00	7.07	5.59	257.09	255.03	255.24	260.97	288.73
61	FINANCIAL GROUP (118)	190.09	+1.5	—	6.28	—	187.20	185.21	186.32	188.62	202.78
62	Banks (6)	208.73	+1.8	46.59	7.32	2.62	204.98	203.54	203.86	208.18	243.29
63	Discount Houses (10)	212.00	+0.2	—	9.41	—	211.65	213.34	212.38	211.42	256.12
64	Hire Purchase (3)	192.39	+2.0	17.07	5.16	7.61	188.61	185.99	186.57	185.70	184.75
65	Insurance (Life) (10)	168.07	+3.2	—	7.12	—	162.86	160.73	161.68	163.47	164.10
66	Insurance (Composite) (9)	123.94	+1.8	—	8.05	—	121.80	119.04	120.18	120.96	141.74
67	Insurance Brokers (20)	291.40	+3.0	16.92	6.92	8.32	283.07	280.82	288.42	292.90	344.67
68	Merchant Banks (14)	98.37	+0.1	—	6.26	—	98.32	98.94	99.44	99.31	93.41
69	Property (45)	359.01	+0.6	3.63	3.11	39.55	356.91	353.48	354.69	360.21	341.19
70	Miscellaneous (9)	127.51	+0.3	16.29	7.17	8.12	127.07	126.95	127.44	127.08	124.45
71	Investment Trusts (109)	205.79	+1.1	—	6.33	—	203.48	203.99	206.18	203.87	229.34
81	Mining Finance (4)	185.54	+2.7	12.42	4.77	9.77	180.74	178.18	181.50	187.79	129.55
91	Overseas Traders (19)	396.17	+1.7	12.76	6.80	9.60	389.50	391.85	392.61	396.14	372.19
99	ALL-SHARE INDEX (750)	243.70	+1.4	—	6.82	—	240.38	238.52	239.18	243.69	264.62

FIXED INTEREST PRICE INDICES

	British Government	Tues., April 1	Day's change %	xd adj. today	xd adj. 1980 to date
1	Under 5 years	101.21	+0.04	—	2.30
2	5-15 years	104.32	+0.45	—	2.68
3	Over 15 years	108.16	+0.53	—	2.82
4	Irredeemables	120.64	+0.45	—	1.78
5	All stocks	104.28	+0.33	—	2.53

	FIXED INTEREST YIELDS British Govt. Av. Gross Red.		Tues., April 1	Mon., Mar. 31	Year ago (approx.)
1	Low Coupons	5 years	13.07	13.10	9.00
2		15 years	12.85	12.89	9.99
3		25 years	12.85	12.89	10.71
4	Medium Coupons	5 years	14.95	14.98	10.70
5		15 years	14.45	14.54	11.41
6		25 years	14.25	14.33	11.72
7	High Coupons	5 years	14.99	15.03	11.11
8		15 years	14.77	14.84	11.81
9		25 years	14.65	14.73	12.03
10	Irredeemables		12.33	12.39	10.54

		Tues., April 1 Index No.	Tues., April 1 Yield %	Mon. March 31	Fri. March 28	Thurs. March 27	Wed. March 26	Tues. March 25	Mon. March 24	Fri. March 21	Year ago (approx)
15	20-yr. Red. Deb & Loans (15)	49.27	14.28	49.27	49.26	49.34	49.74	49.70	49.69	49.67	59.14
16	Investment Trust Prefs. (15)	46.63	14.09	46.96	46.93	46.96	47.12	47.12	47.12	47.73	61.64
17	Coml. and Indl. Prefs. (20)	61.19	14.64	61.23	61.14	60.92	61.24	61.24	61.24	61.16	72.74

† Redemption yield. Highs and lows record, base dates and values and constituent changes are published in Saturday issues. A new list of the constituents is available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 15p, by post 25p.

ACTIVE STOCKS

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1980 high	1980 low
BP	25p	12	356	+ 6	412	328
Shell Transport	25p	12	342	+ 6	410	314
ICI	£1	11	374	+ 6	402	353
Marks & Spencer	25p	11	88	+ 2	96	77
Burmah Oil	£1	10	192	+ 1	249	162
GEC	25p	10	372	+ 5	388	326
NatWest Bank	£1	10	318	+ 8	373	305
Turner & Newall	£1	10	100	+ 1	142	98
BAT Inds.	25p	9	233	+ 7	271	226
Boots	25p	9	182	+ 5	194	158
Dunlop	50p	9	55	—	70	51
Imperial Group	25p	9	80	+ ½	84	71½
Premier Cons.	5p	9	65	+ 4	87	39¼
Ultramar	25p	9	522	+ 6	526	412
Beecham	25p	8	119	+ 1	134	113

OPTIONS

DEALING DATES

First Dealings	Last Dealings	Last Declaration	For Settlement
Mar. 31	Apr. 11	Jul. 10	Jul. 21
Apr. 21	May 2	Aug. 7	Aug. 18
May 6	May 17	Aug. 28	Sept. 8

For rate indications see end of Share Information Service

Calls were dealt in Courtaulds, Burmah, Myson, Northern Engineering, Rustenburg Platinum, House of Fraser, Tebbitt, Ashton Mining, Boots, Premier Oil, W. L. Pawson, Hambro Life and Lister. A put was completed in FNFC, while doubles were arranged in Muirhead, Carless Capel and FNFC.

RECENT ISSUES

EQUITIES

[illegible]

FIXED INTEREST STOCKS

[illegible]

"RIGHTS" OFFERS

[illegible]

UNIT TRUST SERVICE

OFFSHORE & OVERSEAS—contd.

Rothschild Asset Mgt. (Bermuda)
P.O. Box 664, Bk. of Bermuda Bld., Bermuda
Reserve Assets Fd. [US$9.51] 9.72 ... —
Prices on March 24. Next dealing April 12.

TSB Gilt Fund Managers (C.I.) Ltd.
10 Wharf St., St. Helier, Jersey (C.I.) 0534 73494
TSB Gilt Fund 88.0 91.0 −3.0 13.20
TSB Gilt Fd. (Jsy.) 88.0 91.0 −3.0 13.20
Prices on April 2. Next sub. day April 9.

[illegible]

هكذا من الأصل

FT UNIT TRUST INFORMATION SERVICE

AUTHORISED UNIT TRUSTS

Abbey Unit Tst. Mngrs. (a)
72-80, Gatehouse Rd., Aylesbury 0296 5941

Abbey Amer. Gth. Tst.	48.1	51.7	+1.0	1.93
Abbey Capital	35.2	38.1	+0.6	6.04
Abbey General	45.8	48.9	+0.8	6.05
Abbey Gilt & F.I. Tst.	99.7	106.1	+1.0	4.71
Abbey Income	40.6	43.9	+0.3	8.98
Abbey Intl. Bd. Tst.	93.2	99.7	+0.5	5.52
Abbey Inv. Tst. Fnd.	35.8	38.7	+0.1	6.45
Equitas Prog. Trust	67.5	73.0	+1.1	6.14

Allen Harvey & Ross Unit Tst. Mngrs.
45, Cornhill, London EC3V 3PB. 01-623 6314.

AHR Gilt & Pref.	89.5	94.3	—	13.38

Allied Hambro Group (a) (g)
Hambro Hse., Hutton, Brentwood, Essex. 01-588 2851 or Brentwood (0277) 211459

Balanced Funds

Allied 1st	73.0	78.1	+1.2	6.35
Brit. Inds. Fund	67.1	71.8	+0.9	6.27
Growth & Income	40.4	43.4	+0.6	5.85
Elect. & Ind. Dev.	37.1	39.7	+0.5	5.36
Allied Capital	73.5	78.4	+1.1	5.41
Hambro Fund	114.4	122.4	+1.8	6.59
Hambro Acc. Fund	139.9	149.7	+2.4	5.41

Income Funds

High Yield Fd.	65.0	69.5	+0.2	10.65
High Income	67.1	71.3	+0.8	8.22
A. H. Eq. Inc.	39.8	42.6	+0.5	8.19

International Funds

International	26.4	28.2	+0.3	3.84
Pacific Fund	42.2	45.2	+0.2	2.74
Secs. Of America	55.5	59.4	+1.0	2.36

Specialist Funds

Smaller Co.'s Fd.	47.2	50.5	+0.1	2.65
2nd Smlr. Co's Fd.	54.9	58.7	+0.3	4.86
Recovery Sits.	110.8	118.4	+1.3	6.92
Met. Min. & C'dty.	56.3	60.5	+1.7	4.88
Overseas Earnings	57.4	61.3	+1.0	5.53

Discretionary Unit Fund Managers
22 Blomfield St., EC2M 7AL. 01-638 4485

Disc. Inc. Mar. 21	203.9	217.5	—	5.65

E. F. Winchester Fund Mngt. Ltd.
44, Bloomsbury Square, WC1A 2RA 01-623 8893

Great Winchester	17.4	19.9	—	7.18
Gt. Winchester O'seas	20.3	22.6	—	5.43

Emson & Dudley Tst. Mngmnt. Ltd.
20b Albemarle St., W1. 01-493 3211

Emson Dudley Tst.	77.4	83.2	—	6.00

Equity & Law Un. Tr. M.♥ (a)(b)(c)
Amersham Rd., High Wycombe, 0494 33377

Equity & Law	69.6	73.2	—	5.72

Fidelity International Management Ltd.
62-63, Queen St., London, EC4R 1AD. 01-248 4891

American	23.2	24.9	+0.8	2.00
Fixed Interest	25.2	26.9	+0.1	13.00
Growth + Income	28.5	30.8	+0.3	8.10
Special Sits.	27.0	28.9	+0.3	3.50

James Finlay Unit Trust Mngt. Ltd.
10-14, West Nile Street, Glasgow. 041-204 1321

J. Finlay Internat'l	24.7	26.6	—	2.77
Accum. Units	30.0	32.3	—	2.77
J. Finlay High Income	31.0	33.3	—	10.61
J. Finlay Euro.Fin.	19.4	20.9	—	4.11
Accum. Units	24.0	25.8	—	4.11
J. Finlay Fd.In.Tst.	30.2	32.5	—	5.76
Accum. Units	36.5	39.2	—	5.76

Prices on March 26. Next dealing April 2.

Framlington Unit Mgt. Ltd. (a)
64, London Wall, EC2M 5NQ. 01-628 5181

American March 31	46.6	49.4	−1.6	1.65
Am. Tiproved Mar. 31	45.4	48.2	—	2.00
Capital Tst.	50.2	53.4	+0.2	5.08
(Accum. Units)	51.0	54.2	—	5.08
Extra Income Trust	46.4	49.4	—	10.65
Income Tst.	35.8	38.0	+0.2	8.75
Int. Growth Fd.	40.8	42.4	+0.8	2.32
(Accum. Units)	43.4	46.0	+1.0	2.32

Friends' Provdt. Unit Tr. Mgrs.♥
Pixham End, Dorking. 0306 5055

Friends Prov. Units	47.2	50.4	+0.6	5.05
Do. Accum.	65.0	69.5	+0.9	5.05

Funds in Court*
Public Trustee, Kingsway, WC2. 01-405 4300

Capital Mar. 27	109.5	112.9	—	5.52
Gross Inc. Mar. 27	73.1	75.3	—	11.69
High Yield Mar. 27	81.0	83.9	—	11.28

*Unauth. Restricted to monies under Court control.

[illegible]

INSURANCE PROPERTY BONDS

[illegible]

OFFSHORE & OVERSEAS FUNDS

[illegible]

NOTES

[illegible]

Continued on previous page

FT SHARE INFORMATION SERVICE

BRITISH FUNDS

"Shorts" (Lives up to Five Years)

Five to Fifteen Years

Over Fifteen Years

Undated

INTERNATIONAL BANK

CORPORATION LOANS

COMMONWEALTH & AFRICAN LOANS

LOANS

Public Board and Ind.

Financial

1980 High	Low	Stock	Price £	+ or −	Int.	Red.
98½	96½	FFI 13pc 1981	97	+¼	13.40	16.81
96¼	93½	Do. 14pc '83	94¾	+¼	14.78	15.27
84½	79½	ICFC 5½pc Deb. '80-82	82xd	+1	6.63	14.89
74½	71½	Do. 6¼pcDb. '81-84	73	.....	8.85	15.30
86½	80½	Do. 10¼pc Uns.Ln. '86	84½	+½	12.62	15.35
85	77	Do. 11pc Uns.Ln. '88	84	+1	13.53	14.65
88	82	Do. 11¾pc Uns.Ln. '90	85½	+½	14.24	15.25
61	56	Do. 7¼pcADeb. '89-92	58	.....	13.38	15.20
61	51½	Do. 7¼pcA Db. '91-94	54½xd	.....	13.30	15.05
72	64½	Do. 9pc'A' '91-94	65xd	+½	13.64	15.60
65½	61	Do. 8¾pcLn. '92-97	62xd	.....	14.31	15.09
95	84½	Do. 12½pc Uns. Ln. 1992	85xd	+½	14.79	15.23

FOREIGN BONDS & RAILS

AMERICANS

CANADIANS

BANKS AND HIRE PURCHASE

BANKS & HP—Continued

Hire Purchase, etc.

BEERS, WINES AND SPIRITS

BUILDING INDUSTRY, TIMBER AND ROADS

CHEMICALS, PLASTICS

CHEMICALS, PLASTICS—Cont.

DRAPERY AND STORES

ELECTRICALS

ENGINEERING MACHINE TOOLS

ENGINEERING—Continued

FOOD, GROCERIES, ETC.

FOOD, GROCERIES—Cont.

HOTELS AND CATERERS

INDUSTRIALS (Miscel.)

FINANCIAL TIMES

PUBLISHED IN LONDON & FRANKFURT

Head Office: The Financial Times Limited, Bracken House, 10 Cannon Street, London EC4P 4BY

Telex: Editorial 8954871. Advertisements: 885033. Telegrams: Finantimo, London.

Telephone: 01-248 8000.

Frankfurt Office: The Financial Times (Europe) Ltd., Frankenallee 68-72, 6000 Frankfurt-am-Main 1

Telex: Editorial 416052. Commercial 416193. Telephone: Editorial 7598 234. Commercial 7598 1.

INTERNATIONAL AND BRITISH OFFICES

EDITORIAL OFFICES

Amsterdam: P.O. Box 1296, Amsterdam-C. Telex 16527 Tel: 276 796

Birmingham: George House, George Road. Telex 338650 Tel: 021-454 0922

Bonn: Pressehaus 11/104 Heussallee 2-10. Telex 8869542 Tel: 210039

Brussels: 39 Rue Ducale. Telex 23283 Tel: 512-9037

Cairo: P.O. Box 2040. Tel: 938510

Dublin: 8 Fitzwilliam Square. Telex 5414 Tel: 785321

Edinburgh: 37 George Street. Telex: 72484 Tel: 031-226 4120

Frankfurt: Frankenallee 71-81 Telex: 416052 Tel: 7598 234

Johannesburg: P.O. Box 2128 Telex 8-6257 Tel: 838-7545

Lisbon: Praca de Alegria 58-1D, Lisbon 2. Telex: 12533 Tel: 362 508

Madrid: Espronceda 32, Madrid 3. Tel: 441 6772

Manchester: Queen's House, Queen Street. Telex: 666813 Tel: 061-834 9381

Mexico: Paseo de la Reforma 122-10, Mexico 6DF. Tel: 535 13 68

Moscow: Kutuzovsky 14, Apartment 1, Moscow. Telex: 7900 Tel: 243 1635

New York: 75 Rockefeller Plaza, N.Y. 10019. Telex: 66390 Tel: (212) 541 4625

Paris: 36 Rue du Sentier, 75002. Telex: 220044 Tel: 236.57.43

Rome: Via della Mercede 55. Telex: 610032 Tel: 678 3314

Stockholm: c/o Svenska Dagbladet, Raalambsvagen 7. Telex: 17603 Tel: 50 60 88

Tokyo: 8th Floor, Nihon Keizai Shimbun Building, 1-9-5 Otemachi, Chiyoda-ku. Fax Tel: 241 2920

Washington: 914 National Press Building, Washington D.C. 20045 Telex: 440340 Tel: (202) 347 8676

ADVERTISEMENT OFFICES

Birmingham: George House, George Road. Telex 338650 Tel: 021-454 0922

Edinburgh: 37 George Street, Telex: 72484 Tel: 031-226 4139

Leeds: Permanent House, The Headrow. Tel: 0532 454969

Manchester: Queen's House, Queen Street. Telex 666813 Tel: 061-834 9381

Frankfurt: Frankenallee 68-72 Telex: 416193 Tel: 7598 1

New York: 75 Rockefeller Plaza, N.Y. 10019 Telex 238409 Tel: (212) 489 8300

Paris: 36 Rue du Sentier, 75002. Telex 220044 Tel: 236.86.01

Tokyo: Kasahara Building, 1-6-10 Uchikanda, Chiyoda-ku. Telex J27104 Tel: 295 4050

Overseas advertisement representatives in Central and South America, Africa, the Middle East, Asia and the Far East. For further details, please contact: Overseas Advertisement Department, Financial Times, Bracken House, 10 Cannon Street, London EC4P 4BY

SUBSCRIPTIONS

Copies obtainable from newsagents and bookstalls worldwide or on regular subscription from Subscription departments: Financial Times in London, Frankfurt and New York

For Share Index and Business News Summary in London, Birmingham, Liverpool and Manchester, Tel: 246 8026

هكذا من الأصل

INDUSTRIALS—Continued

INSURANCE—Continued

PROPERTY—Continued

INVESTMENT TRUSTS—Cont.

FINANCE, LAND—Continued

LEISURE

MOTORS, AIRCRAFT TRADES

Motors and Cycles

Commercial Vehicles

Components

Garages and Distributors

NEWSPAPERS, PUBLISHERS

PAPER, PRINTING ADVERTISING

PROPERTY

INSURANCE

SHIPPING

SHOES AND LEATHER

SOUTH AFRICANS

TEXTILES

TOBACCOS

TRUSTS, FINANCE, LAND

Investment Trusts

Finance, Land, etc.

OIL & GAS

OVERSEAS TRADERS

RUBBERS AND SISALS

TEAS

India and Bangladesh

Sri Lanka

Africa

MINES

CENTRAL RAND

EASTERN RAND

FAR WEST RAND

O.F.S.

FINANCE

DIAMOND AND PLATINUM

MINES—Continued

CENTRAL AFRICAN

1980 High	Low	Stock	Price	+ or −	Div. Net	Cvr	Y'ld Gr's
430	275	Coronation	280xd	—	†054c	2.2	11.0
680	520	Falcon Rh.50c	590xd	−10	†Q100c	1.7	11.7
47	34	Rhod'n Corp. 16½p	37	—	0.56	8.5	2.2
267	160	Roan Cons. K4	170	−10	†Q0.12	♦	4.5
65	54	Wankie Col. Rh.1	57	—	†09c	1.5	11.3
54	28	Zam.Cpr.SBD0.24	28	−1	—	—	—

AUSTRALIAN

TINS

COPPER

1980 High	Low	Stock	Price	+ or −	Div. Net	Cvr	Y'ld Gr's
235	130	Messina R0.50	176	—	Q10c	♦	3.2

MISCELLANEOUS

1980 High	Low	Stock	Price	+ or −	Div. Net	Cvr	Y'ld Gr's
160	78½	Anglo-Dominion	150	+15	—	—	—
97	58	Barymin	72	+2	—	—	—
14½	12	Burma Mines 17½p	13½	—	—	—	—
502	330	Cons. Murch. 10c	370	−30	hQ100c	1.8	15.5
585	325	Northgate C$1	370	+20	—	—	—
485	327	R.T.Z.	362	+14	†11.5	3.4	4.5
33	16	Robert Mines	25	−1	—	—	—
58	27	Sabina Inds. C$1	31	+4	—	—	—
650	485	Tara Exptn. $1	510	—	—	—	—

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on "net" distribution basis, earnings per share being computed on profit after taxation and unrelieved ACT where applicable; bracketed figures indicate 10 per cent or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution; this compares gross dividend costs to profit after taxation, excluding exceptional profits/losses but including estimated extent of offsettable ACT. Yields are based on middle prices, are gross, adjusted to ACT of 30 per cent and allow for value of declared distribution and rights.

- "Tap Stock.
- Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ♦ Figures or report awaited.
- †† Unlisted security.
- # Price at time of suspension.
- 9 Indicated dividend after pending scrip and/or rights issue; cover relates to previous dividends or forecasts.
- ♦ Merger bid or reorganisation in progress.
- ♦ Not comparable.
- ♦ Same interim; reduced final and/or reduced earnings indicated.
- § Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♥ Excluding a final dividend declaration.

REGIONAL MARKETS

OPTIONS

3-month Call Rates

"Recent Issues" and "Rights" Page 32

FINANCIAL TIMES
Wednesday April 2 1980

Rise in gilts revives funding

By Peter Riddell,

PRICES OF gilt-edged stocks rose yasterday—allowing the Government to resume its funding programme after a gap of several weeks.

The long lap. Treasury 14 per cent 1996, was quickly sold out. Estimates of the amount sold range between £220m and £300m in the stock's current partly paid form. This is equivalent to between £440m and £600m nominal out of £800m issued at the end of February.

The sale of the issue yesterday eoded a cat-and-mouse period since the Budget. During this time some dealers sold short in the hope that tbe Government Brokers would cut his tap price. However, tbe market became bullish late on Monday aod early yesterday, partly in anticipation of an early end to the steel strike.

Consenuently, after some of the stock was sold at £50¼, there was soon demand for the rest at up to £50⅜ as speculative positions were closed. Long-dated stocks generally closed £¾ up.

The market's bullish view poses a dilemma for the autborities about wbether they sbould allow gilt prices to rise or whether they sbould announce a new long tap.

Any further large sales of stock would intensify existing shortages of liquidity. These were highlighted yesterday when three-montb interbank rates—a key Influence on the cost of part of the clearers' deposits—rose a further ⅛ to 18 9/16 per cent.

The Bank of England yesterday responded to the continuing money market pressures by postponing, for the second time, the proposed recall of £500m of special deposits from the banking system. The date bas been put off from April 8 to June 16.

Tbe Bank said that payments for advance sales of oil, together with an unusually prolonged seasonal inflow of revenue to tbe Excbequer, bave resulted In an abnormally low level of central Government borrowing.

"This bas, for the time being, produced greater pressures on the reserve asset position of the hanking system, and so on short-term interest rates, than is necessary to maintain the required degree of monetary restraint."

The official view is that while the exceptionally large flows of money Into tbe Government are mocb more protracted than expected, the pressures are still essentially temporary. Consequently, since fiscal policy for 1980-81 has just been tightened significantly in the Budget, it would be wrong to allow interest rates to rise further.

The general City view is that, In view of these pressures and the uncertainties created by the rise in interest rates overseas, Minimum Lending Rate is unlikely to fall nntil about the middle of the year.

Continued from Page 1

Post Office

timetable, to ensure recommendations are carried ot.

Poor industrial relations are the maio cause for the deterioration in postal services, the report says. The Post Office failed to make proper use of its staff and did not devote enough resources to mechanisatioo. These factors would work against the public interest until remedied.

Post Office management is severely criticised for adopting a short-term approacb at tbe expense of long-term planning and for distorting collective bargaining by taking the view that the mail must go througb at all costs.

Mrs. Sally Oppenheim, Consumer Affairs Minister, welcomed the report last night. She said the weaknesses it pointed out would have to be remedied if the Post Office's standards of services were to be restored "to an acceptable level."

Within the Post Office last night, the feeling was that, provided the report was not used as a stick to beat postal managers, its findings would oot prove fundamentally damaging. Mr. Denis Roberts, managing director of posts, said the Post Office was battling with the fundamental problem of staff resistance to change. It bad already taken meaaures to improve the aervice.

Mr. Tom Jackson, general secretary of the Union of Post Office Workers, said most of the criticisms in the report were fair, including those on his own union. A 15 per cent pay package currently being balloted on by union members contained several productivity elements. Ha said 70 of his union brancbes in London had offered to take part in an experimental scheme which would tie bonus payments directly to the amount of work done.

Iran cools hostage hopes

BY SIMON HENDERSON IN TEHRAN AND ANTHONY McDERMOTT IN LONDON

IRAN and the U.S. failed yesterday to make the progress hoped for towards the release of the 50 American diplomats held bostage in Tehran, in spite of secret contacts between the two Governments. But both appeared to remain committed to finding a way out of the deadlock.

President Abolhaasan Bani-Sadr of Iran, in a speecb to crowds in the capital to celebrate the first anniversary of the Islamic republic, deflated growing optimism that an early solution to the crisis was io sight. Iran's position remains that tha hostages will be released immadiately if the Shah, wbo is being treated in Egypt for cancer, is extradited to face trial.

Mr. Bani-Sadr emphasised that be was speaking in accordance with a decision by the ruling Revolutionary Council.

In Washington, President Carter said that the U.S. "did not consider it appropriate now to impose additional (economic) sanctions" in view of Mr. Bani-Sadr's announcement "that the bostages" control will be transferred to the Government of Iran, which we consider to be a positive step." A senior U.S. official said after Mr. Carter's statement that the President had received private assurances from Iran indicating that the Government there would very soen take control of the bostages.

Ayatollah Khomeini yesterday repeated his principle of leaving the decision over the hostages to the parliament in a speecb read out to the crowds by his aon. The problem could be solved only by the Iranian nation and an Islamic assembly.

8be religious leader said that Mr. Cartar was "following the wrong path" in sending the deposed Sbah to Egypt and repenting for past mistakes, while at the aame time asking him to find a solution. The U.S. had started a political plot and was trying to cheat Iran by flattery, he added.

Ayatollah Khomeini's tougher statement must be seen in the context of domestic Iranian politics. Any solution to the national consensus and take account of opposition from both the militsnts holding the bostages and from within the Revolutionary Council, wbere Mr. Bani-Sadr bas only a small majority supporting him in his attempts to settle the issue of the hostages. He would appear simultaneously to be keeping potentially encouraging lines of communications with the U.S. open without appearing to make significant concessions.

British Shipbuilders chief named

BY JOHN ELLIOTT, INDUSTRIAL EDITOR

THE 64-YEAR-OLD cbairman of a Sbeffield-based engineering and specisl steels company is to be the new full-time chairman of British Sbipbuilders, snbject to finalisation of contract details.

He is Mr. Robert Atkinson, a wartime Royal Navy commander wbo was managing director of the Doxford marine engine company 20 years ago. He is now cbairman of Aurora Holdings.

Mr. Atkinson has had talks wlith Industry Department officials and with Britisb Shipbuilders, and an announcement is expected once final eproval has been given in Whitehall and Downing Street.

British Shipbuilders' involvement ni defence work means that Mr. Atkinson is now being positively vetted for security clasrance. He also has to be approved by tbe Prime Minister. He was one of the guests at the No. 10 Downing Street party tbrown by Mrs. Margaret Thatcher last month for entrepreneurs.

Tbe £44,000-a-year chairmanship of British Shiupbuilders falls vacant at the end of Juna wben Admiral Sir Anthony Griffin retires at the age of 60.

Admiral Griffin's contract was etxeneded for threem onths to enable Mr. Atkinson's appointment to be finalised. It is understood tbe Industry Department also bas two other possible candidates to invite for the job sbould anything go wrong in the final stages of Mr. Atkinson's appointment.

Last night Mr. Atkinson said: "I have received no offer, and I firmly hope still to be chairman of Aurora in a year's time."

That indicates tbat he is trying to persuade tbe Government that he should be a non-executive cbairman of Aurora for a year while at British Shipbuilders. He is deeply involved in modernising Aurora's work in special steels, wbicb makes up a third of its business.

Aurora's turnover this year is about £165m and it has 8,500 employees. Mr. Atkinson has been chairman since 1972. In addition to being managing director of Doxford, be also beld similar positions in the 1950s and 1960s at Hamworthy Engineering, Tube Investment's engineering division, and Universal Grinding.

While at Doxford be wrote two newspaper articles in 1961 on the way ahead for the shipbuilding industry. These recommended that the industry should bave a steady workload, a better management structure, and improved labour relations—items which are still a priority 19 years later.

Mr. Atkinson is not expected to be British Shipbuilders' chief executive as well as cbairman. Thus the Government ie still looking for a successor to Mr. Michael Casey, who leaves in June.

Kuwait cuts majors' oil quotas

BY LESLIE DE QUILLACQ IN KUWAIT

KUWAIT HAS cut by nearly two-thirds the amount of oil it is prepared to sell to British Petroleum, Shell and Gulf, the three companies that bave lifted the bulk of tbe state's production in the past.

They will only be allowed to lift up to 475,000 barrels a day, compared with 1.31 b/d until this month.

The extent of the reduction was dlsclosed yesterday as Kuwait Imposed a 1.5m b/d celling on lts output, whlch last year ran at an average of 2.2m b/d. Tbe exact total volume available to the three companies will depend on the outcome of Shell and Gulf's negotiations with the Mlnistry of Oil, due to conclude ln the next few days.

Shell has yet to finalise its new arrangement but is understood to have agreed to buy 75,000 b/d at the official selling price for two and a half years from today and another 100,000 b/d under a "supplemental contract" valid for only one year at an additional premium reported to be $5.50. The current official selling price for Kuwait's 31 degree gravity crude is $27.50.

Gulf has agreed to lift a basic 75,000 b/d on the same terms as Shell but ls still haggling over the conditions demanded by Kuwait for another 75,000 b/d of additional crude.

Last week, BP concluded contracts for the purchase of 75,000 b/d over a twa and a half year period and another 75,00 b/d over the next 12 months at a premium thought to be similar to the one Sbell lsp repared to pay.

Under five-year deals that expired on Monday BP and Gulf lifted 450,000 b/d and 500,000 b/d respectively. Shell's entitlement was up to 360,000 b/d under a contract originally valid until the end of September whicb Kuwait has demanded should be "modified" from April 1.

The Royal Dutch/Shell Group has signed a deal with Sandi Arablan anthorities to bnild a joint-venture oil refinery, costing well over $1.4bn, in Saudi Arabia.

Shell is boping that tbe deal, involving a 250,000 barrels a day export refinery, will result in the gronp being given access to a supply of Saudi crude oil.

The plant will be built over the next four years by Petromin, Sandi Arabia's state oil corporation, and a Sbell gronp subsidiary, Shell Sandi Arabla Refining. It will form part of the emerging Jnbail industrial complex on the Gulf.

Ray Dafter, Energy Editor writes: The rednction in Kuwaiti supplies, coming on top of cutbacks from other traditional producers, will put even greater pressure on the companies' crude oll buying departments. BP, wblcb has been particularly badly bit, has been forced into the spot market to maintaln crude supplies to refineries in the group.

● Iran has raised the price of its lighter grade of crude oil $2.50 a barrel or 3 per cent effective from yesterday. The increase disclosed by Pars, the officiel Iranian News Agency, is the first to be announced by a member of OPEC for the second quarter.

Jenkins urges end to EEC rift

BY JOHN WYLES IN BRUSSELS

MR. ROY JENKINS, president of the European Commission, yesterday suggested that the gap separating Britain from its EEC partners over UK payments to the Community budget wa srelatively small, and could be bridged so as to end "an iocreasingly self-defeating exercise."

In a rare display of public impatience, Mr. Jenkins directed the full authority of his office at EEC heads of Government and urged them to find the political will to settle the Britisb prohlem at their next meeting, now expected at the end of this montb. Mr. Jenkins said the meeting must not be allowed to turn into a "one-course meal," but must discuss farm spending and farm prices

Mr. Jenkins, wbo bas held intensive talks in EEC capitals in the past few weeks, suggested that the gap separating the UK from an agreement with her EEC partners was no more than "the equivalent of some two weeks' expenditure" on the Common Agricultural Policy.

This implies that there is only £240m (400m units of account) at issue between what the UK may settle for and what the other eight EEC members may be cajoled into offering, if Britain Is prepared to lower its toughest demand for cuts in its contribution to the EEC budget and France is willing to add to the amount offered to Britain.

On the surface, these seem to be large assumptions, not least because the British want a big reduction in their budget burden not only for 1980, but for as long as the problem lasts.

Mr. Jenkios is concerned to create the best possible climate for the conciliatory efforts which Sig Francesco Cossiga — the Italian Prime Minister designate and the Prime Minister occupying the Community presidency, plans to launch as soon as he succeeds in forming a new Government in Rome.

Joseph predicts difficult year

BY PHILIP RAWSTORNE

BRITISH industry should prepare itself for a year or more of difficult conditions, Sir Keith Joseph, Industry Secretary, told the Commons yesterday.

"There is very little the Government can do to help." No substantial reduction in interest rates was likely for some time and many companies would face difficult caah flows, he told MPs on the final day of the Budget debate.

Reflation was not possible because of tbe priority the Government was giving to curbing inflation.

"It means a difficult year or more for industry." The present estimates suggest that the squeeze on liquidity will he boardly comparable in severity to that of 1974-75.

Manufacturing companies in particular would he hard hit and, as the yran down their stocks, many supplying companies would also suffer.

Mr. John Silkin, the Labour industry spokesman, accused the Government of viewing complacently the destruction of British industry and a massive increase in unemployment.

Parliament, Page 12

Deadline passes at Chrysler

BY STEWART FLEMING IN NEW YORK

CHRYSLER Corporation's self-imposed April 1 deadline for sorting out the terms of its $3.5bn (£1.64bn) rescue package with its bankers and the U.S. Treasury passed yesterday without agreement, raising more acutely the doubis about the company's future.

It emerged last week that the Treasury and the banks bad failed to agree on the package, wbich provides for Federal Government loan guarantees of $1.5bn to be matched with almost $2bn, which the company was to raise from private sources.

Since Congress passed the aid Bill last December, it bas been clear that many of the company's 200 bankers bave deep reservations about tbe proposals. It is understood tbat one reason for the continued delay is the reluctance of banks both to put ln new money and at the same time to surrender some of the security on their existing loans.

In the past two weeks, however, the company's scute financial problems bave been pushed on to the back burner by the Carter Administration and Federal Reserve Board's anti-inflation measures.

With agreement on the Government guarantee programme unresolved, Chrysler has been thrown back on its dwlndling casb resources to maintain operations. It has been seeking cash from a variety of sourcea, including selling assets. Last month it borrowed $100m (£45.4m) against the security of its stock in Peugeot-Citroen.

Yesterday it was reported from Tokyo that Mitsubishi Motors is to continue financing its exports to Chrysler because of the failure of the company to agree financing terms with seven Japanese banks. Chrysler has also complated the sale for $26.3m of its 48 per cent interest in Chryslar Fevre Argentina.

Weather

MAINLY dry, sunny intervals.

London, S. England, E. Anglia, Midlands
Brighter and mostly dry after early rain. Max. 12C (54F).

Channel Isles, S.W. England, S. Wales
Showers, sunny intervals. Max. 12C (54F).

E. and N. England, Borders
Mostly dry, sunny intervals. Max. 10C (50F).

N. Wales, N.W. England, I. of Man
Showers, sunny intervals. Max. 10C (50F).

Edinburgh, Dundee, Aberdeen, N.E. Scotland
Showers, sunny intervals. Max. 9C (48F).

Rest of Scotland, N. Ireland
Showers, sunny intervals. Max. 8C (46F).

Outlook: Mostly dry, sunny periods; rain in N. later.

WORLDWIDE

		Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	F	17	63	Lisbon	S	21	70
Algiers	S	27	81	Locarno	S	16	61
Amsdm.	C	11	52	London	F	14	57
Athens	S	18	64	Luxmbg.	R	11	52
Bahrain	S	31	88	Madrid	S	23	73
Barclna.	F	17	63	Majorca	S	21	70
Beirut	S	29	84	Malaga	S	29	84
Belfast	C	9	48	Malta	S	18	64
Belgrd.	C	16	61	M'chstr	C	9	48
Berlin	S	14	57	Melbne.	C	16	61
Biarritz	C	18	64	Milan	S	17	63
Bmghm.	C	10	50	Montreal.	S	10	50
Blackpl.	C	9	48	Moscow	Sn	1	34
Bordx.	R	16	61	Munich	R	11	52
Boulgn.	C	9	48	Nairobi	S	24	75
Bristol	C	10	50	Naples	F	15	59
Brussels	R	12	54	Nwcstl.	C	10	50
Budpst	C	15	59	N. York	S	10	50
B. Aires	S	24	75	Nice	S	15	59
Cairo	S	20	86	Nicosia	S	23	73
Cardiff	R	8	46	Oporto	C	16	61
Cas'b'ca	S	24	75	Oslo	F	7	45
Cape T.	S	25	77	Paris	C	14	57
Chicago	C	9	48	Perth	S	23	73
Cologne	C	13	55	Prague	C	10	50
Cpnhgn.	S	7	45	Reykjvk.	C	3	37
Corfu	S	18	64	Rhodes	C	17	63
Dublin	C	8	46	Rio J'o	C	27	81
Ednbgh.	F	10	50	Rome	C	16	61
Faro	S	23	73	Salzbrg.	R	10	50
Florence	C	13	55	Singapr.	S	32	90
Frankft.	C	15	59	Stckhm.	C	2	36
Funchal	S	17	63	Strasbg.	C	16	61
Geneva	C	16	61	Sydney	S	27	81
Gibrltr.	S	25	77	Tangier	S	24	75
Glasgow	C	9	48	Tehran	S	18	64
G'rnsey	R	10	50	Tel Aviv	S	32	90
Helsinki	R	2	36	Tenerife	S	27	81
H. Kong	C	24	75	Tokyo	S	11	52
Innsbrk.	R	10	50	Toronto	S	10	50
Invrnss.	C	8	46	Tunis	S	24	75
I.o.Man	C	9	48	Venice	S	15	59
Istanbul	C	10	50	Vienna	R	9	48
Jersey	C	12	54	Warsaw	S	11	52
Jo'burg	S	22	72	Zurich	C	12	54
L. Plms.	S	22	72				

C—Cloudy. F—Fair. Fg—Fog. R—Rain. S—Sunny. Sl—Sleet. Sn—Snow.

THE LEX COLUMN

A little help for Racal

If there had been extensive elections for the cash alternative by Decca shareholders accepting the Racal bid, Racal's balance-sheet would bave been awkwardly stretcbed. But with only a tenth of the Decca equity still to come in, the cash liability is a mere £8.6m. It is now improbable that Racal will have to find more than £12m in all.

This lifts a shadow from the Racal share price. All the same, there could still ba s period of indigestion. So it is with extraordinarily good timing that Racal's official brokers, Carr Sebag, bave brought out a detailed circular recommending purchases. In fact the circular appears to bave been beld up because the Take-over Panel does not allow information on a company, including forecasts, to appear from the "sbop" during the period before a take-over offar is declared unconditional.

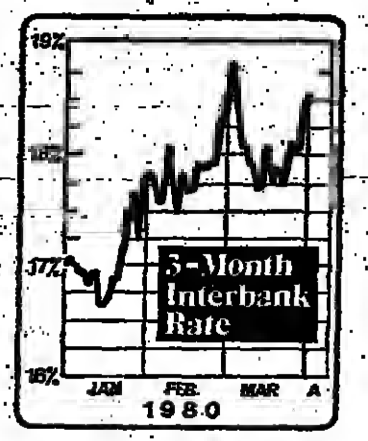
The Panel did, however, give permission for a Racal executive to attend a meeting with institutional fund managers arranged by brokers Scott Goff: only the radio side of the group was discussed, and no figures were mentioned. Moreover Racal received support from another unconnected broking firm, Kemp-Gee, who produced their own circular two weeks ago, describing the period of relative weakness in Racal's share price as a major buying opportunity. Kemp-Gee say they were acting entirely independently, and had no contacts with Racal since before the bid for Decca was announced.

There are close similarities between the two brokers' researches. Both point to the boom in tactical radios, where Racal's orders received in the past three months alone have been £75m (Kemp-Gee) or £80m (Carr Sebag), and the latter talks of "a series of exciting announcements" this year, leading to pre-tax profits of £84m for the year which bas just commenced. Kemp-Gee's version is £85m, with a Decca recovery assisting a leap to £118.5m for 1981-82.

Bank liquidity

It is bard to find a bank in the City which does not bave reservations about the consultative paper on liquidity recently published by the Bank of England. This paper sets out to define the "norms" wblch the Bank will apply in judging wbether banks operating in the UK are backing up their liabilities with a sufficiently liquid spread of assets. Unlike the previous papers on capital adequacy and currency exposure, this paper goes to the core deliberate mismatching of maturities and interest rates. It is here, if anywhere, that the Bank is likely to be accused of "over-regulation" as it tries to fulfill its duties under the Banking Act.

Index rose 5.4 to 632.4



There is no uniformity in the bank's criticisms. But a number of threads can be picked ont. In foreign currency business British banks fear that the rules discriminate in favour of the UK branches of foreign banks which will not be subject to the liquidity norms. In sterling business the paper appears to reinforce the advantage of tha clearers over wholesale banks, like merchant banks and foreign banks, because liabilities of uncertain maturity, like current account deposits, must be only 25 per cent matched by liquid assets. Interbank liabilities of up to one month (to cite the extreme alternative) must be 100 per cent matched by liquid assets.

More generally, some bankers feel strongly that the Bank takes an unrealistically jaundiced view of the lnterbank market as a source of liquidity. What the banks see as mutual support through the redistribution of excess funds the Bank sees as illusory liquidity and worrying interdependence.

Tight money

In spite of all the brave words about downward pressure on interest rates in last week's Budget, it bas become clear that conditions in the money market are just as tight, if not tighter, than ever. Since Friday's close the three-month interbank rate has moved up by 3/16 to 18 9/16 per cent and the seven-day rate by ⅛ to 18¼, a level at which round-tripping begins to become attractive.

At the same time the longer-term implications of the Budget have bene found more convincing by the gilt-edged market. After Monday's rise, the risk that the Government broker would cut the price of the long tap became negligible and the outstsnding £440m-£600m nominal of the £50-paid stock was gobbled up by noon. The first impact will be to tighten tbe money market still further, making a renewal of the £500m gilt-edged sale-and-repurchase deal with the big banks highly likely in a fortnight's time, quite apart from yesterday's announced deferral of the recall of special deposits. Meantima, Chase Manhattan in the U.S. raised lts prime by ½ point yesterday to 19½ per cent.

Saint Piran

Saint Piran is a UK registered company, and its shareholders bave the right to expect protection under the City's code of self regulation. That is why the Takeover Panel has taken on the thankless task of sifting through a complex series of share transactions, which has led it to the conclusion that various interests controlled by former chairman Mr. Jim Raper bave acted in concert to increase their shareholding in Saint Piran to over 30 per cent. Under the takeover Code, that means they are obliged to offer 85p per sbare for the rest of the company.

The sbares rose 10p to 70p on the news, but tha Panel bas no means of knowing wbether Mr. Raper and his friends will be willing or able to finance such a bid. If not, there may be little the Panel can do without running the risk of damaging the interests of other shareholders. A bid from some other party would get everyone off the book, but that seems a lot to bope for at a time wben the company is being investigated by Department of Trade inspectors.

But the Panel argues thst its interyention is not just a Quixotic gesture. Although it has been unable to pin down the ultimate beneficial ownership of larbe blocks of Saint Piran shares, It bas decided that there bave been just too many unexplained coincidences to be ignored. If nothing else its willingness to form a judgment on what it admits is largely circumstantial evidence will make people think twice before building up large anonymous shareholdings in companies. However, the fact that it has been necessary to act in this way does suggest that the provision of the Companies Act dealing with the disclosure of the beneficial ownership of sbares are inadequate.

Registered at the Post Office. Printed by St. Clement's Press for and published by the Financial Times Ltd., Bracken House, Cannon Street, London, EC4P 4BY.